THE Bombay Gazette, AND INDIAN DAILY NEWS.

[WITH SUPPLEMENT.

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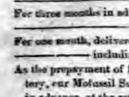

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"Whenever the amount of any instalment of the said duties shall not be paid by any person liable to pay the same on the day appointed for the payment of such instalment, the Collecting Officer shall proceed for the recovery of such instalment by distress and sale of the moveable property, or by the attachment and sale of the immoveable property of the person so making default as hereinafter provided."

GEORGE SCOTT,
President, Income Tax Commission.
Bombay, 2nd August 1862.

To the Shareholders of the Bombay Steam Navigation Company.

THE ANNUAL GENERAL MEETING OF THE SHAREHOLDERS of the Bombay Steam Navigation Company will be held at the Company's Office, Medow Street, on TUESDAY the 19th of August next at one o'clock P.M.

As important matters will be brought before the Meeting, a full attendance is particularly requested.

By order of the Directors,
L. C. D'MENEZES,
Manager B. S. N. Co.
Bombay, 22nd July 1862.

NOTICE.

TENDERS for the creation of a COTTON MILL for the Albert Spinning and Weaving Company will be received by Mr. Hormusjee Pestonjee at the office of Messrs. Martin, Young & Co. who will show the plans and give every information respecting the same. The Company do not bind themselves to accept any tender. Tenders will be received to the 30th instant.

The Great Eastern Spinning and Weaving Mills, Limited.

NOTICE IS HEREBY GIVEN, that the Annual General Meeting of the Shareholders of the Company will be held on WEDNESDAY, the 20th Instant, at 3 P.M., at the Office of the Company, No. 1 Military Square, when the Report of the Directors for the past year will be read, and Auditors appointed for the ensuing year, and such other business transacted as may be brought before the Meeting.

The Transfer Books will be closed until the General Meeting has been held.

By order of the Board of Directors,
BABAJEE CASSINATH,
Secretary.
G. E. S. & W. Mills Office, Bombay, 4th August 1862.

RAILWAY DEPARTMENT.

NOTIFICATION.—Up to the arrival in Bombay of the first regular Mail from England expected in September, the Government of Bombay will be prepared to receive proposals from parties willing to construct a Tramway, capable of being worked by locomotive power from the Port of Sudaseaghur in the Collectorate of North Canara to the Cotton districts of the Dharwar Collectorate. Further particulars may be ascertained at the Office of Her Majesty's Principal Secretary of State, Victoria Street, Westminster, by application addressed to the Under-Secretary of State, Railway Department, or at the Office of the Secretary to Government, Railway Department, Bombay.

By order, &c.,
J. E. PEILE,
Under-Secretary to Government.
Bombay Castle, 7th July 1862.

PUNJAB RAILWAY.

TO TIMBER CONTRACTORS.

TENDERS will be received by the undersigned up to the 31st proximo, for the supply of two hundred tons of good sound Teak, of the following dimensions, viz:

From 18 to 26 feet in length, and not less than 14 inches square.

The Timber to be delivered at the Mooltan Ghât at the Contractor's risk and expense.

R. W. STEVENS,
Lahore, July 15, 1862. Agent.

TO LET.

THE GROUND-FLOOR of a HOUSE in Clare Road, Byculla; five Rooms; separate entrance; Rs. 40 per month. Address "W. B.," at this Office.

TO LET.

ONE HOUSE in Love Lane, and from the 20th instant, a large and Commodious BUNGALOW in the Mount Road, Mazagon. Apply to SORABJEE JAMSETJEE JEJEEBHOY.

TO LET.

FROM THE FIRST JUNE NEXT.—The Spacious and Airy Apartments, at present occupied by the "Baroda and Central India Railway Office," No. 7, Hornby Row. Apply below, at the premises.

May 5th, 1862.

TO LET.

WITH IMMEDIATE OCCUPATION.—The first and second Floors of an Office, in Rampart Row. For further particulars, apply to

LEGGATT & Co.,
3, Rampart Row.
Bombay, 15th May 1862.

TO LET,

FROM THE 1st SEPTEMBER NEXT.—A Commodious and Airy Bungalow, situated at Middle Colaba, facing the Sea, and commanding an excellent view of the Malabar Hill, matted and papered, with a separate entrance, and Out-houses, with a Garden tastefully laid out with rare and lovely Plants, and with an excellent Fountain playing in the Compound. Apply to N. SORABJEE & Co., House Agents, No. 2, Bell Lane, Fort.

ADVERTISEMENT.

NOTICE IS HEREBY GIVEN, that ANDAROO SORABJEE HORMUSJEE RANJEENA has contracted to sell to DHUNJEEBHOY EDULJEE SOOKHIA a Piece of Land together with a Bungalow standing thereon, registered in the Books of the Collector of Land Revenue under No. 545 and 21A, and the Bungalow bearing the Assessment No. 41, situated on the Grant Road, without the Fort Walls of Bombay, and bounded as follows: On the East by Government Vacant Ground, the back door of the same Bungalow, and the Road contiguous to the Public Road; on the West by the Front Gates of the said Bungalow and the Public Road; on the North by the Bungalow belonging to the said party; and on the South by the Bungalow of Parsee Heerjeebhoy Pestonjee Cooper. All persons therefore interested in or having any claims by way of Mortgage, Inheritance, or otherwise upon the above said Property, are hereby required to make the same known through an Attorney of the Supreme Court to Messrs. Macfarlan and Peniston, Solicitors of the Purchaser, within fourteen days from this date, otherwise the sale will be completed, and all such claims will be deemed to have been waived.

Bombay, 1st August 1862.

ADVERTISEMENT.

NOTICE IS HEREBY GIVEN, that Parsee PESTONJEE HEERJEEBHOY COOPER has contracted to sell to RUSTOMJEE EDULJEE SOOKHIA, a Piece of Land together with the Bungalow standing thereon, registered in the Books of the Collector of Land Revenue under No. 162 and 165, and the Bungalow bearing the Assessment No. 42, situated on the Grant Road, without the Fort walls of Bombay, and bounded as follows:—On the East by the Bungalow of Parsee Cursetjee Jamasjee Sucklatwalla; on the West by the Front Gates of the said last Bungalow and the Public Road; on the North by the Bungalow of Sorabjee Hormusjee Ranjee; and on the South by the Grant Road. All persons therefore interested in, or having any claims by way of Mortgage, Inheritance, or otherwise upon the above said Property, are hereby required to make the same known through an Attorney of the Supreme Court to Messrs. Macfarlan and Peniston, the Purchaser's Solicitors within fourteen days from this date, otherwise the sale will be completed and all such claims will be deemed to have been waived.

Bombay, 1st August 1862.

RED BOOT.

ENGLISH AND FRENCH Ladies', Gentlemen's and Children's Boot and Shoe Mart, Hummum Street, Bombay and Poona.

R. PARTRIDGE.

P. GRANT AND SON.

ARMY AND HUNTING SADDLERS,
HARNESS MAKERS, &c.,
No. 1, MEDOW STREET, FORT, BOMBAY.
(Late W. Tapp's Saddlery Establishment)
AND
EAST STREET, POONA.

COLLARD AND COLLARD'S SQUARE PIANO, shipped on board the *Sydney Eggars*, may be expected shortly. These Instruments need no flourishing advertisement. They are all that could be wished for. Apply to McCOMBIE & WRIGHT.

July 17th, 1862.

NOTICE.

TO THE CLERGY AND TRUSTEES OF CHURCHES.—Landing ex *Mary Shepherd*, Tent (Sacramental Wine) at Rs. 29 per dozen. Apply at the Godowns of LEGGATT & Co.

Bombay, 17th April 1862.

FRESH SUPPLY JUST ARRIVED.

PRIME YORK HAMS in canvas.
Prime York Hams in patent tin.
Bacon in side and in tin.
Chedder, Berkley, and Ping Cheeses.
Oxford, Bologna, and German Sausages; and every variety of Store. Best Wine, Beer, and Porter; also Manilla Cigars and Cheroots.

Orders from kind Constituents will be executed with the utmost care and attention.

COWASJEE ARDASEER FURDOONJEE.
Medow Street, Bombay.

FOR SALE.

JUST RECEIVED Ex Ship *Portland*, Tennent's BEER in Quarts and Pints, in first-rate condition.

McCOMBIE & WRIGHT.
No. 1, Church Gate.

TENNENT'S PORTER.

IN PINTS and QUARTS, just landed in excellent condition, ex *Portland*.
Graham & Co.'s Port Wine, in Quarts.
Carbonell's celebrated Port.

McCOMBIE & WRIGHT.

JUST RECEIVED.

BASS'S BEER in Quarts and Pints, in good order.
McCOMBIE & WRIGHT,
Church Gate Street.

JUST RECEIVED.

A FRESH CONSIGNMENT of the following celebrated Brandies in one dozen Cases.
Ducemier's.
Brandenbury Freres.
Hernozants.

McCOMBIE & WRIGHT.
Church Gate.

BEAUJOLAIS WINE.

A LIGHT SOUND BURGUNDY, price reduced to Rs. 15 per dozen. Apply to MR. CURSETJEE NOWROJEE, at Messrs. EWART, LATHAM & Co.

FOR SALE.

BUCK, FENWICK & Co.'s SHERRY and PORT.
BARTON & GUESTIER LENVILLE and BEYCHEVELLE CLARET, and RUINART PERE, and FILS CHAMPAGNE, just arrived.
MILNER & SON'S PATENT FIRE RESISTING SAFES.

Apply to CURSETJEE NOWROJEE, at the Godowns of Messrs. Ewart, Latham & Co.
Bombay, 6th May 1861.

MESSRS. GRAHAM & CO.'S PORT.

A CONSIGNMENT of the above, much superior to the usual quality, has just been landed from ship "Portland."

The brands are—
Crown—very rich and fruity.
EX

COMMERCIAL.

BOMBAY DAILY BILL, SHARE, STOCK, AND FREIGHT LIST.

BOMBAY GAZETTE OFFICE,
Saturday, 9th August 1862.

EXCHANGE.

On, what Place	Terms.	Rates.
London (Credits)	6 months' sight	2s. 09/16d. to 2d.
Do. Documents	Do. do.	2s.11/16d.
Do. Bank Notes	Do. do.	2s. 9/16d.
Calcutta	Sight	99½
Madras	30 days' sight	99½
China	60 do. do.	Rs. 225 per $100.

SHARES.

Names.	Paid up.	Last Half-yearly Dividend.	Rates.
	Rs.		
Bombay Bank	1,000	41 p. cent	89½ with divd.
Malwa Bank	1,000	4½ do.	58 do.
Agra Bank	500	7 do.	90 do.
Oriental Bank Corporation	250	8 do.	105 per cent.
Commercial Bank	500	3 do.	7 do.
Mercantile Bank	250	5 do.	101 do.
Central Bank of W. India	150	2½ do.	9 Dis.
Great Indian Peninsula Railway Company, Con. 8% Guaranteed Shares	2183.9	2½ do.	Rs. 8 Dis.
Do. New Shares	87.4.4	2½ do.	Rs. 8 do.
Bombay, Baroda, and Central India Railway	1,000	2½ do.	Nomi. [ish.
Hydraulic Press Company	4,000	350 p. sh.	Rs. 200 Dis. p.
Agarie Press Company	11,000	1,650 p. sh.	Rs. 22,000 p.sh.
Colaba Press Company	3,700	15 do.	Rs. 5.875 do.
Colaba Land Company	10,000	100 p. sh.	Rs. 14,500 do.
Bombay Land Company	6,000	220 p. sh.	Rs. 3,700 do.
Bombay Steam Navigation Company	500	32 do.	Rs. 25 dis.
Spinning and Weaving Co.	5,000	1,000 do.	Par.
Oriental Weaving and Spinning Company	2,500	[p. Ann. 450 p. sh.	Rs. 320 prem.
Victoria Spinning Co.	5,000	.....	Nominal.
Royal Spinning and Weaving Company	1500	.....	Rs. 225 Dis.
Great Eastern Spinning and Weaving Company	1,190	.....	Rs. 300 do.
Manockjee Petit's Spinning and Weaving Co.	550	.....	Rs. 75 do.
Throsle Mill Company	4,000	.....	Nominal.
Bombay United Spinning Company	4,500	.....	do.

GOVERNMENT SECURITIES.

Four Per Cent. Transfer Loan ..... Nominal.
" Loan 1835-36 .....
" Loan 1842-43 ..... } 93½
" Loan 1854-55 .....
New Five Per Cent. Loan 104
Five and a Half Per Cent. Loan 111½

PRICES OF BULLION, &c.

Sovereigns, each	Rs. 10-4
Bank of England Notes	Nominal.
Spanish Dollars	Rs. 240 Nominal
Crowns	" 239 do.
Mexican Dollars	" 213 do.
German Crowns	" 213 do.
Five Franc Pieces	" 205
Bar Silver	" 106½
Gold Leaf	" 16-0

FREIGHTS.

To Liverpool (Cotton) ready ....£3 10s. 0d. Nominal.
" (Seeds) ..... £0 15s. 0d. Do.
To London (Cotton) ready ..... £2 5s. 0d. Do.
" (Seeds) ..... £2 5s. 0d. Do.
To Hull .....
To China ..... No offers.
To Clyde .....
To Calcutta ..... Rs. 9 to 10 per ton.

PRICES CURRENT (August 8th, 1862.)

COTTON at Colaba:

	Per candy.
New Scinde, ready	Rs. 370 to 375
New Surat	" 375 to 377
New Dholleas, and Shawingaum	" 380 to 383
New Oomrawuttee	" 370 to 375
New Comptа	" 370 to 375
New Dharwar unginned	" 485 to 490
New Barnee, and Nugger	" 360 to 362
New Veraval	" 355 to 357
Khandeish	" 345 to 350
New Pondicoss	" 357 to 360
New Acoote	" 382 to 385
New Mangalore	" 357 to 360

OPIUM—Malwa, Rs. 1,615 to 1,620.

SEEDS—Linseed, Candeish ...at Rs. 7-6 to 7-7 per cwt.
Rapeseed, Guzerat ..... " 3-2 to 3-4 nominal.
Gingelly mixed (Black and White) ..... " 32 to 33 nominal.
Niger (Nominal) ..... " 37 to 38 nominal.
" " " 35 to 37

BULLION.

LONDON, 18*th July* 1862.

Since our last Circular our Market has been rather quieter. There has again been a rather large importation of Gold from the United States.

The Imports include the "Seine," from the West Indies, with £300,000; the "China," from New York, with £30,000; the "Jura," from Quebec, with £17,300; the "Bremen," from New York, with £94,500; the "Glasgow," from New York, with £360,000; and the "Sussex," from Melbourne, with £112,000.

The Exports have been small, including the "Shannon," to the West Indies, with £23,300; the "Tagus," to Lisbon, with £40,000; the "Tartar," to Vigo, with £8,220; and a small amount of Silver to the Continent.

Gold continues to be taken to the Bank in large quantities, the amount since our last being £767,000. The French Exchange is, however, tending to a point at which Gold may be exported from this side.

Bar Silver is rather firmer, but prices have not varied. The bars by the "Seine" have not yet been sold.

The Market for Mexican Dollars has undergone a considerable change. Owing to advices received from China stating that a considerable fall in value had taken place in Shanghae. The demand here has for the moment ceased. The Dollars by the "Shannon" and "Seine" have not yet been sold, and it is expected that a considerable reduction will take place, probably to 5s. 1d. per oz.

Indian Government Securities:—

4 per Cents.	
5 "	105½
5½ "	110½

Exchange on India:—

Bombay Bank Bills, 60 days' sight,	1/11½ to ⅜
Calcutta " "	1/11½ to ⅜
Madras " "	1/11½ to ⅜

The following Gold Ships from Australia are now at sea:—

"Swiftshire"	with	£ 191,000
"Orwell"	"	£ 124,000
"Formosa"	"	£ 52,000
"Marco Polo"	"	£ 43,500

Gold.	
Bar Gold	77/9
Do. refinable	77/11
American Gold Coin	76/2½
French do.	—
S. Amer. Doubloons	74/6
Spanish do.	77/—77/6
Brazilian New Gold Coin	77/6
Silver.	
Fine or Cake Silver	5/5½ firm.
Bar Silver	5/1
Do. with gold above 5 grains per lb	5/1½
Five Franc Pieces	
Mexican Dollars	
Spanish Pillar Dollars, Carolus.	5/8—5/9
Do. do. Ferdinand...	4/11½—5/
Crusades	4/11½

BANKS.

ORIENTAL BANK CORPORATION.

BOMBAY AGENCY.

EXCHANGE.

THE CORPORATION grant Drafts on London on Demand, and at from one day to six months' sight, and Drafts on Scotland and Ireland on demand; also Circular Notes negotiable in Egypt, Syria, the Continent of Europe, New York, the West Indies, Australia, New Zealand, and the Cape of Good Hope.

The Current rates of Exchange are:

On London at 6 months' sight	2s. 0d.	per Rupee.
" 4 do.	1s. 11½d.	do.
" 3 do.	1s. 11¾d.	do.
" 2 do.	1s. 11¾d.	do.
" 1 do.	1s. 11¾d.	do.
" on demand	1s. 11¾d.	do.
On Scotland do.		
On Ireland do.		
On Paris, at 3 days' sight	1s. 11¾d.	do.
Circular Notes payable throughout Europe	1s. 11¾d.	do.

No Drafts at six months' sight are granted for sums under £20. Sums under £20 are only drawn for on Demand.

Drafts are also granted on Calcutta, Madras, Ceylon, Hongkong, Singapore, Mauritius, Melbourne, and Sydney.

The Corporation purchases or collect Bills payable in Europe or in Calcutta, Madras, Ceylon, Hongkong, Singapore Mauritius, Melbourne, and Sydney.

DEPOSITS.

The Corporation receive Deposits on the following terms:—

Repayable on demand, in sums of Rs. 100 and upwards	2 per ct.	per annum.
Do. in one sum, at 3 months' notice	3	" "
Do. do. 6 do.	4	" "
Do. do. 12 do.	5	" "

No interest allowed on Deposits under Rs. 1,000, nor on deposits over Rs. 50,000, *unless by special arrangement.*

REMITTANCE.

The Corporation undertake to remit money to Europe by each Overland Mail, free of charge.

Parties are requested to make all Orders or Hoondies payable to "*The Oriental Bank Corporation or Order,*" and to state distinctly the name and address of the person to whom the Remittance is to be made, *(if to a Lady, her Christian name at length in full,)* and the sight at which the Bills are to be drawn.

COMMISSION.

The rate of Commission charged by this Agency on the purchase or sale of Government Securities negotiable in Bombay, is ¼ per cent. on the amount invested or realized, and on the collection of Bills, one per cent. and Postage.

The Corporation take charge of Government Paper, Shares in the Bank of Bombay, and other local Stocks, free of all charge, and will draw Interest and Dividends on the same as they fall due, on the following terms:—

If to be remitted through the Corporation .....Without charge.
If to be paid in India, a Commission will be charged of ..... ¼ per cent.
On collecting Government Paper out of safe custody ..... ¼ per cent.

Hours of business	10 to 4 o'clock.
Saturdays	10 to 1 do.

KURRACHEE SUB-AGENCY.

Messrs. Finlay and Co. will grant Drafts on the Corporation and negotiate Bills payable in London and Bombay.

Bombay, 1st May 1862.

CHARTERED MERCANTILE BANK OF INDIA, LONDON, AND CHINA.

EXCHANGE.

THE Bank grants Drafts on London, and on Scotland and Ireland, also Circular Notes negotiable in Egypt, Syria, and the principal Towns of Europe, at the following current rates of Exchange:—

On London, at 6 months' sight	2s. 0d.	per Rupee.
" 4 do.	1s. 11¾d.	"
" 3 do.	1s. 11¾d.	"
" 2 do.	1s. 11¾d.	"
" 1 do.	1s. 11¾d.	"
" On demand	1s. 11¾d.	"
On Scotland do.	1s. 11¾d.	"
On Ireland do.		

Circular Notes for the use of Travellers on the Continent and to Europe, Overland, at 1 day's sight ..... } 1s. 11¾d. "

Drafts at 6 months' sight are not granted for less than £50 and amounts under £20 are only drawn for payable on demand.

The Bank also purchases Bills and grants Drafts payable in Calcutta, Madras, Ceylon, Hongkong, Canton, Shanghai, Singapore, Penang, and Mauritius.

Bills collected at any of the above places at an uniform charge including postages, of one per cent.

INTEREST ALLOWED.

On Current Accounts ..... 2 per cent.

On Deposits payable on demand, subject to a commission of ¼ per cent. on amounts withdrawn 4 "

Deposits for 3 months ..... 4 "
Do. do. 6 do. ..... 5 "
Do. do. 12 do. ..... 6 "

No interest allowed on Current Account Balances under Rs. 1,000 on Deposits over Rs. 50,000, unless by special agreement.

No cheques paid or cash received under Rs. 20.

COMMISSION.

The Bank takes charge of Government Securities, Shares in Banks and other Companies, without charge, and realizes Interest and Dividends thereon on the following terms:

If to be remitted in the Bank's Drafts, without charge.

If to be paid in India, a Commission will be charged of ¼ per cent.

On returning Government Paper, or Share Certificates out of safe custody, or when sold, on paying the proceeds of such sale in India, a commission will be charged of ¼ per cent. But if proceeds are remitted on the Bank's Drafts, without charge.

Commission charged on purchase and sale of Government Securities and Shares ¼ per cent.

R. D. PEEBLES,
Bombay, 1st May 1862. Acting Agent.

CENTRAL BANK OF WESTERN INDIA.

INTEREST ALLOWED.

ON Current Deposit Accounts above Rs. 1,000, and not exceeding Rs. 50,000, repayable on demand, at 2 per cent. per annum.

On Deposits for 3 months certain 3 per cent per annum.
Do. " 6 " " 5 " "
Do. " 12 " " 6 " "

EXCHANGE.

Bills on London, at 6 months' sight 2s. 0d. per Rupee.

Ditto	at 4	ditto	1s. 1¾d. do.
Ditto	at 3	ditto	1s. 11¾d. do.
Ditto	at 2	ditto	1s. 11¾d. do.
Ditto	at 1	ditto	1s. 11¾d. do.
Ditto	sight	ditto	1s. 11¾d. do.

Drafts at 6 months' sight are not granted for less than £50, and amounts under £50 are only drawn for payable on demand.

COMMISSION.

On the sale or purchase of Government and other Securities per cent. on the amount realized or invested.

The Bank receives Government and other Securities for safe custody, free of charge, the Interest or Dividends thereon being credited to account or remitted home in the Bank's Bills, also without charge.

On Interest, or Dividends, or on proceeds of Securities by Sale, ¼ per cent. commission charged, if the amounts be paid in India if remitted home by the Bank, no commission charged.

On returning Securities out of safe custody ¼ per cent. Commission.

Hours of business ..... 10 A.M. to 4 P.M.
Saturdays ..... 10 A.M. to 1 P.M.

EDWIN HEYCOCK,
Bombay, 22nd May 1862. Manager.

CHARTERED BANK OF INDIA, AUSTRALIA, AND CHINA.

INCORPORATED BY ROYAL CHARTER.

Head Office—No. 29, Threadneedle St., London.
Paid up Capital—£644,000.

London Bankers. { The Bank of England / The City Bank.

Branches and Agencies at
Bombay, Calcutta, Singapore, Hongkong, and Shanghai.

BOMBAY AGENCY.

EXCHANGE.

THE Bank's Agency in Bombay grants Bills of Exchange on THE CITY BANK, London, at the following rates, viz:—

6 months' sight (not under £50) at	2s. 0d.	per Rupee.
4 Do.	at 1s. 11¾d.	"
3 Do.	at 1s. 11¾d.	"
2 Do.	at 1s. 11¾d.	"
1 Do.	at 1s. 11¾d.	"
On demand (Head Office)	at 1s. 11¾d.	"

DEPOSITS.

Interest is allowed on CURRENT ACCOUNTS at 2 per cent. per annum, on the daily balance, and on Fixed Deposits, as follows:—

Repayable in one sum, at 3 months' notice, ¼ per cent.
Do. 6 do. 5 "
Do. 12 do. 6 "

No Interest allowed on Current Account Balances under Rs. 1,000 nor on Deposits above Rs. 50,000, unless by special arrangement.

REMITTANCE.

The Bank's Agency undertakes to realise Drafts or Hoondies on the Presidency without charge, for remittance to Europe in the Bank's Bills on the City Bank, London.

All Drafts, or Hoondies, forwarded for realisation, to be made payable to the Chartered Bank of India, Australia, and China or order.

COMMISSION.

On the sale or purchase of Government Paper, Bank Stock and other Securities ¼ pe cent. on the amount realised or invested.

The Bank receives Government and other Securities for safe custody, free of charge, the Interest or Dividends thereon being credited to account, or remitted home in the Bank's Bills.

On Interest or Dividends, or proceeds of Securities by sale, ¼ per cent. if the amounts be paid in India, if remitted home by the Bank, no charge.

On delivering up of Securities, deposited for safe custody, ¼ per cent.

Office hours 10 A.M. to 4 P.M.; Saturdays 10 A.M. to 1 P.M.

ANTHONY MORRISON,
May 2nd, 1862. Agent.

THE AGRA AND UNITED SERVICE BANK, LIMITED.

ESTABLISHED IN INDIA 1833.
Incorporated by Royal Charter

HEAD OFFICE.....LONDON.

BRANCHES AT CALCUTTA, BOMBAY, MADRAS, AGRA, LAHORE, KURRACHEE, UMBEITSUR, SHANGHAI, HONG-KONG and EDINBURGH.

SUBSCRIBED CAPITAL, £2,000,000 (TWO MILLIONS STERLING.)
PAID-UP CAPITAL, £1,000,000 (ONE MILLION STERLING.)
RESERVED FUND, £200,000 (TWENTY LAKS OF RUPEES.)

THE BOMBAY MANAGER of the AGRA AND U. S. BANK, LIMITED, is authorised to draw on the undermentioned Establishments:—

THE LONDON & WESTMINSTER BANK.
THE ROYAL BANK OF SCOTLAND (and Branches).
THE NATIONAL BANK OF SCOTLAND (and Branches).
THE NATIONAL BANK (IRELAND) (and Branches.)

THE BOMBAY BRANCH, makes advances on the pledge and deposit of Government Paper, and Loans are granted to Officers in the services on approved Security, and to Regimentals for Regimental purposes.

The Bank grants Circular Notes negotiable in Egypt and the Continent of Europe. The following are the current rates of Exchange:—

On London at 6 months' sight	2s.	0d.
" 4 months' sight	1s.	11¾d.
" 3 months' sight	1s.	11¾d.
" 2 months' sight	1s.	11¾d.
" 1 month's sight	1s.	11¾d.
" On demand	1s.	11¾d.
On Scotland	1s.	11¾d.
On Ireland		
Circular Notes	1s.	11¾d.

The London General Manager will generally, if desired, be prepared to discount the Bank's Bills at the current rate of the day.

The Bank purchases Bills and grants Drafts payable at Calcutta, Agra, Madras, Lahore, Kurrachee, Umritsar, Hongkong, and Shanghai.

INTEREST ALLOWED.

1. On Floating, or Current Deposits, payable on demand of not less than Rs. 1,000 or more than Rs. 50,000 2 per cent. per annum.

2. On Fixed Deposits at 3 months' notice, 3 per cent. per annum.

3. On Fixed Deposits at 6 months' notice, 4 per cent. per annum.

4. On Fixed Deposits at 12 months' notice, 5 per cent. per annum.

Fixed Deposits may generally be availed of for the Bank's Bills on London without notice.

Notice of withdrawal can be given at the time of depositing the money, or at any time thereafter.

Interest is credited to Deposit accounts half-yearly.

No Interest allowed on Current Account Balances under Rs. 1,000 or over Rs. 50,000, unless by special agreement.

The Funds of all public bodies connected with the Services and of such other Societies as the Directors may consider eligible for the same privilege, will be received by the Bank at its highest rate of interest for the time being, subject to modified conditions.

The Bank reserves to itself the right of paying off all interest Deposits, and of modifying the terms thereof, on giving one month's notice.

Parties making remittances to the Banks should specify distinctly the Account or Accounts to which the same are to be credited. *Accuracy in this respect is particularly desirable.*

COMMISSION.

The Bank takes charge of Government Securities, Shares in Banks and other Companies without charge, and realizes the Interest and Dividends, for which a charge will be made of ¼ per cent.

On returning Government Paper or other Securities out of safe custody, a charge will be made of ¼ per cent.

On the purchase or sale of Government Securities and Bank or other Stock, ¼ per cent.

To obviate disappointment to parties at a distance purchasing the Bank's Bills on England, which might reach them too late for despatch by first Mail, it is hereby notified that the Bank will, whenever so requested, transmit the first of Exchange direct, on being furnished with the correct address of the party at Home to whom the remittance is to be sent.

All Orders or Hoondies should be made payable to the Manager of the Agra & U. S. Bank, Limited, or order, and the letters enclosing them should state distinctly the name of the person to whom the Remittance is to be made (*if to a Lady her Christian name or names in full,*) and the sight at which the Bills are to be drawn.

NOTICE.—The Bank will obtain registry of Promissory Notes of the several Loans of the Indian Government, and enfacement for payment of the Interest in London.

Drafts for Interest on such Government Promissory Notes, in the Treasuries of Calcutta and Madras, will be received for encashment at current rates of Exchange, or for realization in India, at the Head Office of the Bank in London, where constituents can also deposit their securities for safe custody.

Parties are requested to address the "*The Manager of the Agra and United Service Bank, Limited, Bombay,*" and to make all orders or Hoondies payable to him.

A Branch of the Bank has been lately established at Karachee (Sind), R. B. W. Bayne, Manager,) for the transaction of business in all its Branches.

JOHN GARDINO,
Bombay, 26th May 1862. Manager

SHIPPING.

BOMBAY.

Arrivals.

DATE.	SHIPS.	COMMANDERS.	FROM
Aug. 8	Celestial Empire	Murray	Liverpool 28 April.
	Maharaj (s)	Kidder	Surat 7 Aug.

Departures.

DATE.	SHIPS.	COMMANDERS.	To.
Aug. 8	Crown Point	Knapp	New York.
	Governor Higginson (s)	Greig	Kurrachee.

PASSENGERS ARRIVED.

Per Ship *Celestial Empire*, from Liverpool.—Mrs. Murray, child and servant.

Per Steamer *Maharaj*, from Surat.—Captain Brown; Mr. Hastings; Mr. Harrison; and Mr. Anderson.

PASSENGERS SAILED.

Per Steamer *Governor Higginson*, to Kurrachee.—Mr. Clay; Mr. Searle; 6 Non-Commissioned rank and file; 7 Arabs, and 22 natives.

Commenced Loading.

The following vessels began to load yesterday:—
Ship *Eurocly don*, for Liverpool.
Steamer *Manchester*, for Surat.
Ship *Hurry Puddamsey*, for Liverpool.
Ship *Teazer*, for Calcutta and Coast.

IMPORT MANIFESTS.

From Suez & Aden.

Steamer *Benares*.—227 boxes Specie, 2 packages Silk, 1 package Clocks, 2 packages Shawls and Watches, 11 packages Raisins, 15 sacks Cotton Seed, 3 boxes Pearls and Specie, 2 boxes Pearls, 11 packages Ivory, 1 case Tobacco, 109 packages Stores, 33 packages Merchandize, 173 packages Parcels.

DAILY EXPORTS.

BOMBAY, FRIDAY, 8th AUGUST 1862.

For London.

Victory.—389 pieces E. Teeth, 20 cwt. 1 qr. 14½ lbs., Vusunjee Dewchund; 666 pieces Sandalwood, 151 cwt. 17 lbs., 1 case China Preserves, 1 box Stuffed Birds, W. Nicol and Co.; 5 bales Skins, 120 corges, Cohen and Co.

For Liverpool.

Childwickbury.—10 bales Cotton, 35 cwt., Luckmidass Hurribhoy; 155 bales Cotton, 542½ cwt., David Sassoon and Co.; 150 bales Cotton, 525 cwt., Muncharjee Jamsetjee and Co.

Eurocly don.—600 bags Suree Seed, 900 cwt., R. Souzha and Co.

Bucton Castle.—55 bales Wool, 165 cwt., Courjee Premjee; 80 bales Wool, 90 cwt., Girdhur Roopchund; 50 bales Wool, 150 cwt., Samjee Hemraz and Co.

Hurry Pudomsey.—44 Hhds. Gingelly Oil, 192½ cwt., Jairam Visram.

Golconda.—40 bales Cotton, 140 cwt., Euderjee Narronjee; 100 bales Cotton, 350 cwt., Muncherjee Dadabhoy; 200 bales Cotton, 700 cwt., S. and N. Nanabhoy; 1 half bales Cotton, 1½ cwt., Ramjee Natha.

Contest.—200 bales Cotton, 700 cwt., Dossabhoy Merwanjee and Co.; 105 bales Cotton, 367½ cwt., David Sassoon and Co.

Thomas Mitchell.—500 bales Cotton, 1,750 cwt., Jewraz Balloo.

Bates Family.—38 bales Cotton, 133 cwt., M. Rogers and Co.; 125 bales Cotton, 437½ cwt., Chuttoorbhoz Hurry; 2 bales Wool, 6 cwt., Courjee Ludha; 130 bales Wool, 390 cwt., Cullianjee Pettamber; 15 bales Wool, 45 cwt., Jeatha Purseram.

For Southampton.

Steamer *Jeddo*.—5 cases Cashmere Shawls, 148 pieces, Forbes and Co.; 5 cases Cashmere Shawls, 79 pieces, Heerachund Lallchund; 3 cases Cashmere Shawls, 47 pieces, Hajee Joola Mohundally; 3 cases Cashmere Shawls, 46 pieces, Sye Roostom; 1 case Cashmere Shawls, 17 pieces, Ahmudally.

For Suez.

Steamer *Jeddo*.—1 box Cashmere Shawls, 3 pieces, Hajee Zunel Abadin.

For Galle.

Steamer *Behar*.—3 packages Tortoise Shells, 179 lbs., Jewanjee Noorbhoy.

For Shanghai.

Steamer *Behar*.—20 chests M. Opium, 140 lbs. each, Gunessdass Crustnajee; 204 chests M. Opium, 140 lbs. each, Meer Sassoon Moosy; 34 chests M. Opium, 140 lbs. each, Woomeedchund Hokumchund.

For Hongkong.

Steamer *Behar*.—80 chests M. Opium, 140 lbs. each, Cassumbhoy Nathabhoy Sons and Co.; 26 chests M. Opium, 140 lbs. each, Meer Sassoon Moosy; 34 chests M. Opium, 140 lbs. each, Cursetjee Bomonjee; 6 chests M. Opium, 140 lbs. each, Woomeedchund Hokumchund; 5 chests M. Opium, 140 lbs. each, Hajee Esac Soub and Co.; 12 chests M. Opium, 140 lbs. each, Tarachund Sittaram; 29 chests M. Opium, 140 lbs. each, Guness Venayeck; 22 chests M. Opium, 140 lbs. each, Curimbhoy Ebram; 6 chests M. Opium, 140 lbs. each, Jan Momud Abdool Khalnck; 31 chests M. Opium, 140 lbs. each, Sowjee Nensy and Co.; 20 chests M. Opium, 140 lbs. each, Lalljee Soomar; 12 chests M. Opium, 140 lbs. each, Rahimbhoy Dossa; 5 chests M. Opium, 138 lbs. each, Culliandass Nesserwanjee and Co.; 20 chests M. Opium, 140 lbs. each, Alladinbhoy Hubibbhoy; 11 chests M. Opium, 140 lbs. each, Fazul Mahomed Essa and Co.; 16 chests M. Opium, 140 lbs. each, Peerbhoy Khaluckdens and Co.

For Singapore.

Nurbudda.—200 bags Gram, 396 I. maunds, Cursondass Vuruzdass.

For Calcutta.

Steamer *Behar*.—1 box Printed Books, 53 numbers, Hajee Mohmud Hosen Nemajee.

Maria Gray.—1 box Printed Books, 150 numbers, Hajee Mohmud Hosen Nemajee; 1 case Sulphur, 2½ cwt., Mooljee Ramjee.

For Madras.

Steamer *Behar*.—1 box Pearls, Culliandass Kirparam

VESSELS IN BOMBAY HARBOUR.

[c.l. signifies "commenced loading."]

FOR LONDON.

955 Dedanos, Galloway—Ritchie, Steuart & Co.
1310 Istamboul, Deuchar—Jardine, Matheson & Co. (c.l. May 10)
579 Victory, H. Stephens—Forbes & Co. (c. l. June 5)

FOR COCHIN AND LONDON.

413 Euphrates, Cowen.

FOR LIVERPOOL.

2153 Bates Family, Hogg—Edward Bates & Co. (c. l. May 16)
892 Bucton Castle—G. S. King & Co. (c. l. July 10)
668 Celesta, Hayes—Coupland & Co. (c. l. August 2)
1046 Childwickbury—Martin Young & Co. (c. l. June 5)
1120 Contest, Jennings—Ewart, Latham & Co. (c. l. July 18)
854 Dora, Rose—J. P. Cornforth & Co. (c. l. July 16)
1235 Earcolyden, Wright—Martin, Young & Co. (c. l. Aug. 8.)
875 Egeria, Storey—John Clover Co. (c. l. Aug. 7.)
1154 Forest Rights, Thomson—Gray & Co. (c. l. July 16)
1124 Golconda, Dais—Lawrence & Co. (c. l. July 5)
1218 Harvey Taddeusser—E. Bates & Co. (c. l. Aug. 6)
1904 Lord Raglan, Curren—Lawrence & Co. (c. l. July 12)
1242 Mary Stenhouse, Finlay—E. Bates & Co. (c. l. July 22)
1017 Negotiator, Hawkins—Rennie, Scovell & Co.
1001 Norah Greame, Bake—E. Bates & Co. (c. l. July 28)
1569 Oriental, Hill—Cursandjee Jamsedjee & Co. (c. l. July 29)
1435 Queen of the West—Rennie, Scovell & Co. (c. l. July 23)
578 Thomas Mitchell—W. & A. Graham & Co. (c. l. Aug. 7)
632 Veritas, Carey—E. Latham & Co.
1230 Zenave, Griffiths—W. Nicol & Co. (c. l. July 10)

FOR HAVRE.

553 Daylight, Smith—W. Nicol & Co. (c. l. July 30)

FOR CHINA.

1019 Behar, Brooks. (c. l. Aug. 7)

FOR ADEN AND SUEZ.

1109 Jeddo, Brown. (c. l. Aug. 7)

FOR CALCUTTA.

524 Maria Gray, P. L. Jones—M. A. M. Khan. (c. l. Aug. 4)
937 Prince of Wales, Nacoda—H. J. Abadin. (c. l. May 12)
363 Teazer, John Shaw—H. Mahomed Sedick. (c. l. Aug. 8)
888 Winterthur, Seward—A. H. Huschke & Co.

FOR CALCUTTA VIA COAST.

609 Shaw Allum, Profrung—Hajee Ebhram. (c. l. July 24)
609 Fazel Bhary, Nacoda—Hajee Ebhram. (c. l. July 17)

FOR RANGOON.

641 China, Logan—Wallace & Co. (c. l. July 23)

FOR MOZAMBIQUE.

74 Sullamattee, Nacoda—Sewjee Lelljee. (c. l. May 27)

FOR KURRACHEE.

209 Champion, Owen—James Sazen. (c. l. July 18)
Tilly (s), Beyts—B. S. N. Co. (c. l. August 6)

MAURITIUS.

250 Nazzy, Nacoda—L. Sanjee. (c. l. July 7)

FOR ZANZIBAR.

446 Nader Shah, Nacoda—Ossuin Natha. (c. l. July 21)

FOR COLUMBO.

155 Kesrata Roodeen—Dinshaw Bhicajee Khan (c. l. Aug. 4)

NOT FIXED.

672 Ally, Shepherd—H. E. Cadoo.
307 Artemisa, Nacoda—Ossuin Natha.
290 Ararat, Nacoda—H. M. A. Latiff
301 Bombay Merchant, Gwyaz—Hoorjee Arut.
1005 Beeston Castle, Corney—Rennie, Scovel & Co.
559 Bassorah Merchant, Richards—H. J. S. Deenas.
1060 Caribou, Cameron—Lawrence & Co.
502 Chatham, Thurtell.—D. H. Cama & Co.
1006 Caduceus, Holt—W. Nicol & Co.
457 City of Poona, Nacoda,
998 Colarcon, Hale—Remington & Co.
1278 Celestial Empire, Murray-Forbes & Co.
270 Ellesmere, Anderson—W. Nicol & Co. (laid up)
Fazel Currim, Nacoda.
310 Fattay Sultan, Nacoda—H. E. Joub.
696 Granville, Leker—W. Nicol & Co.
387 Godavery, Perrand—S. Tyabjee & Co.
1324 Hahneman, Phillips—Rennie, Scovell & Co.
1354 Herefordshire, Escott.
620 Hebrus, Stephenson—H. M. A. H. Curim.
1306 Inkerman, Grant—Coupland & Co.
1009 Iskunarsha, Mahomed.
511 Lady Frankland, Nacoda—Jairaz Fazel & Co.
1236 Lancastrian, Pearson—George S. King & Co.
30 Mahomed Bux, Nacoda—Cursonjee Kalljee.
499 Nadershah, Nacoda—Gopaldass Mowjee.
109 Nassnol Hamed, Nacoda—M. Hussin.
716 Nile, Young—W. and A. Graham & Co.
391 Nurbudda—Cursondass Vuruzdass.
1233 Norwood, Stapelton—John Clover & Co.
150 Royal Victoria, Nacoda—Dinshaw Bhickajee Khan.
791 Robina Coates—Coupland & Co.
919 Rowantree, Lewis—Lyon Brothers & Co.
1131 Sir John Lawrence, Sinclair—E. & A. Hormusjee.
783 Victoria, Sanderson, John Clover & Co.
1131 War Cloud, MacKay—Rennie, Scovell & Co.

P. & O. Co.'s STEAMERS.

Benares, Wright.
907 Emeu, Rennoldson.
1200 Ganges, H. Wilkinson.
1600 Pottinger. (Laid up.)

VESSELS IN KURRACHEE HARBOUR.

FOR LONDON.

776 Blackwater, Griffiths—McIver & Co.
957 Gale, Taylor—Fleming & Co.
744 Sea Park, Stewart—J. L. Dunolly & Co.
649 Westward Ho, Wilkinson.—Captain.

FOR MARSEILLES.

445 Paul Auguste, Messermacker—Donabhoy Cursetjee & Co.
495 Union, Perrott—Donabhoy Cursetjee & Co.
497 Vaillant Barque, Le Mer—Volkart Brothers.

FOR MAURITIUS.

405 Emma, Richmond—T. Lidbetter & Co.
603 Washington, Masand—S. Tyabjee & Co.

FOR MUSCAT.

460 Jeodal Barry, Nacoda.

FOR BOMBAY.

736 Adelina, Terras—Volkart Brothers.
1241 Alexander, Tyler—McIver & Co.
649 Alice Maud, Gibbs—E. Tyabjee & Co.

NOT FIXED.

600 A. B. Coutts, Robbings.
494 Alice, Anderson—McIver & Co.
650 Clara, McPhun—Ashburner, Bell & Co.
656 Clarendon, King—J. L. Dunolly & Co.
498 Electric, Sprott—D. McIver & Co.
656 Phœbe Dunbar, Richardson—J. L. Dunolly & Co.

VESSELS EXPECTED AT KURRACHEE.

FROM LONDON.

729	Charlotte Jane, Burgoyne.		
761	Chimera, Moot		
513	General Havelock, Spowart.		
494	Gwalior, Thomson	Fleming & Co.	March 25
1017	Helvellyn	Fleming & Co.	May 21
496	Hunter, Searle		April 10
584	Magna Bona	Fleming & Co.	May 23
735	Mianelaha, Henderson	Fleming & Co.	July 9
441	Nemesis		
478	P. J. F. Burchard, Brahbering.		July 1
710	Ukko		March 18
682	Velocity, Shrewsbury		

FROM GRANGEMOUTH.

768 Yarra

MILITARY.

BOMBAY.

ARRIVALS.—AUGUST 8.

Ryan, Lieut. W. C. B., Staff Corps, from furlough, from England.
Irwin, Assistant Surgeon C. G., 28th Regt., from leave, from England.
Thomas, Captain L., 91st Regt, from leave, from Dublin.
O'Grady, Ensign R., 44th Regt., on duty, from Dublin.
Swindley, Ensign A. B. H., 23rd Regt. N. L. I., on duty, from England.
Strong, Lieut. F. E., 3rd Regt. N. I., from leave, from England.
Rivers, Lieut. Colonel H., Engineers, from leave, from England.
Evans, Captain John, 6th Dragoons, to join, from England.
Farwell, Paymaster R. B, 18th Regt. N. I., from leave, from England.
Wilson, Lieut. F. B., 95th Regt., to join, from England.
Jopp, Lieut. K. A., Royal Engineers, to join, from Tannah.

DEPARTURES.—AUGUST 8.

Strong, Lieut. T. E., 3rd Regt. N. I., on leave, to Tannah.
Chitty, Captain W. T., Staff Corps, on leave, to Poona.
Jopp, Lieut. K. A., Royal Engineers, on duty, to Kurrachee.

GARRISON ORDERS.

BY BRIGADIER J. LIDDELL, C. B.

Bombay, Friday, 8th August 1862.

The 23rd Regt. N. I. I., the Officer for the Castle Guard to-morrow, also the Adjutant for the day.

1. The Committee, of which Captain Jacob, 18th Regt. N. I., is President, is dissolved.

2. Lieut. Wilson, 21st Regt. N. I., has been granted leave of absence from 12th to 18th instant, to proceed to Poona.

NAVAL.

SQUADRON ORDERS.

BY CAPTAIN PRUSHARD, I. N., OFFICIATING COMMANDER-IN-CHIEF I. N.

Superintendent's Office, Bombay, 8th August 1862.

The following conditions under which officers are permitted to rejoin their friends in Europe, or elsewhere, under the sanction conveyed in Government resolution No. 587, of the 15th ultimo, have been authorised by Government, and are published for general information:

1

I am given to understand that two new Dukes are to be made forthwith; besides M. Morny, who has already been raised to that dignity. M. Walenski, and M. Persigny are to be the new dignities. The former gentleman having got his patent before the other two.

The accounts of the harvest in the south are not so satisfactory as were anticipated, the prevalence of bad weather during the last month has retarded the ripening of the crops; a great deal of corn has been beaten down by the rain and wind. This has had the effect of raising prices in the market.

The *Orléanais*, a provincial journal, received a warning a few days ago, in consequence of an article which appeared in its columns on "The recognition of the kingdom of Italy by Russia." The article in question is said to have "assailed in the most violent manner the sovereign of a state friendly to France; exciting, indirectly, to hatred and contempt the Government of the Emperor of the French, which has also recognised the kingdom of Italy." This warning has excited a good deal of indignation, and if the doctrine thus promulgated is to be carried out, it will not be lawful for any one to censure any historical fact, if in the opinion of the authorities the Emperor has done anything similar.

A little bit of scandal has lately been amusing us here, in which the names of certain high personages is connected; a young lady said to be a grand-niece of the late Duke Pasquier, but certainly the neice of M. Fontanillat, the receiver general of the department of the Gironde, a young lady of great personal attraction was selected by the Empress herself as an eligible match for one of her favorite chamberlains, but the lady's inclinations were never for a moment, it would seem, consulted in the matter, it was supposed that the great honor intended to be conferred on the young lady would have been sufficient to have silenced any objections that she might have entertained on the matter. Strange to say the foolish girl did not appreciate the kindness of her courtly friends, and when the proposal was made to her, she had the temerity to declare her dissent thereto and most positively and unequivocally declared, not only that she would not consent to the match, but that she had already formed a prior attachment to another and more fortunate lover, and that she was under engagements to him. The fortunate gentleman is, I am told, a deputy of the Corps Legislatif, is young and inherits a most illustrious name. When the intentions of the fair lady were made known at the Tuileries it is said to have given great offence, and it could not be understood what the lady meant by refusing to ally herself to one of the court favorites, and the idea of her presuming to think for herself in the matter, completely shocked the consciences of the courtiers. The Empress herself, is said to have personally endeavored by her solicitations to induce the young lady to alter her mind, but notwithstanding all that could be brought to bear against her, she pertinaciously remained inexorable to threats and intreaties. The lady at length was obliged to take refuge in the convent des Oiseaux, where she hoped to free herself from the pressing importunities of her tormentors. But in this she was again fated to meet with renewed solicitations, and it is said something more then mere solicitations. The Empress here again exerted her Imperial influence, and the lady superior of the convent and a cardinal archbishop were pressed into the service, and beset the poor girl on all sides, of course bringing all their religious power to bear upon the unfortunate orphan. In this extremity she managed to get a letter conveyed to M. Fontanillat, her uncle, the receiver general of the Gironde in which she claimed his protection. Immediately on the receipt of his neice's communication the worthy gentleman proceeded to Paris and went instantly to the Finance Minister who he found was well acquainted with the whole affair. He was informed by M. Fould's secretary of that fact and was made to understand that his influence was expected to be exerted to induce his neice to come to terms at once; and it was unmistakably hinted to him that his own lucrative appointment was dependant on the part he himself took. Upon which it is said that M. Fontanillat ventured to express a very strong opinion, in equally strong and energetic terms upon the conduct of all parties engaged in the transaction which ended in his informing the secretary that he should await his dismissal from the public service. He took his leave and in a short time afterwards he received his dismissal in an official form. He immediately took his neice out of the convent and conveyed her to Bordeaux. I understand that M. Fontanillat is a man of ample fortune so that in this instance he will not suffer in a pecuniary sense for his daring and manly conduct. Doubtless the affair will end as it should do in the marriage of the heroic damsel and her favored swain.

As I anticipated, great activity prevails at Cherbourg and other maritime ports, in preparing for the embarkation of troops for Mexico. The reinforcements will be on a much larger scale than was at first proposed. General Forey is to have command of the troops. A large force of Artillery, if I am correctly informed, eight batteries, is to form part of the expeditionary force, which is ordered to be despatched with as little delay as possible. Large quantities of provisions and stores have already been sent off. Admiral Jurien de la Graviere is busy in superintending the preparations.

At the annual public sitting of the French Academy three reports were read, on works most useful for public morals and for distinguished acts of virtue by poor natives of France. One of those reports was by the Secretary to the Academy, M. Villemain, which gives an account of those who had competed for prizes, the first of which 3,000f., had been awarded to M. Augustin Cochin the author of a work on slavery which is considered to be a very remarkable production, and which is dedicated to the Duke de Broglie.

The growing intimacy between the Governments of France and Russia is causing a good deal of uneasiness to the friends of England here, they seem to think that eventually it will lead to a misunderstanding with the British Government.

There have been several engagements between the Turks and Montenegrins, in which both parties have been at times successful, but on the whole the Montenegrins have most decidedly had the best of it.

The Grand Hotel de la Paix has been opened. It is a magnificent building, it is on an immense scale, and some idea may be formed of its resources from the fact that the wine cellars are capable of holding between 3 and 400,000 bottles. It has cost about twenty-two millions of francs and has been completed in the short period of fourteen months. The inauguration of the Hotel was taken advantage of by the spirited proprietors, to give to the poor of Paris 20,000f. The Empress visited the splendid establishment a day or so before its opening and inspected the whole of the premises with which she appeared to be very much pleased and expressed herself as such.

INTELLIGENCE.

LATEST.

By Electric Telegraph.

CALCUTTA.

CALCUTTA, *8th August*, 4-53 P. M.

Government Paper, four per cent., six and half to three quarters discount.

Five per cent., four and half to three quarters premium.

Five and a half per cent., twelve to twelve and quarter premium.

Exchange on London, first class credits, two shillings and six sixteenths to three eighths.

Freight to London, deadweight, fifty-two shillings and six pence to fifty-seven shillings and six pence.

Jute seventy to seventy-five shillings.

Seeds, eight shillings.

Grey Shirtings, fourteen by thirteen, seven pounds forty inch, six rupees and eleven annas per piece.

Madapollams, thirteen by eleven three pounds thirty-two inches, two rupees and fifteen annas per piece.

Mule Twist, number forty, good seconds, seven annas and six pies per morah.

Market for Piece Goods, fair sale today at quotations.

Market for Twist, less active.

LOCAL.

THE Coasting steamer *Maharaj*, arrived here yesterday from Surat, bringing a full cargo of Cotton.

THE COCOA-NUT DAY.—This is a native Holiday called the Narul Poonim or Cocoanut Day, on which the rainy season is considered to be at an end, and a Cocoa-nut is offered to the sea to gain its favour towards those who now begin to trust themselves to its mercy. The local Banks, mercantile houses and other public offices will be closed to-day, and little or no business done; and in the afternoon, weather permitting, a splendid fair will be held on the Esplanade.

OUTRAM TESTIMONIAL.

In Recognition of the great public services and eminent character of Lt.-General Sir James Outram, Bart. GCB. KSI.

The following Testimonial was decided upon by Resolutions passed at Public Meetings held in London and Calcutta, on the 5th and 6th March, 1861, viz.—

A Statue (Bronze), by M. Noble, to be erected in London.

An Equestrian Statue (Bronze), by J. H. Foley, R.A., to be erected in Calcutta.

A Silver Dessert Service (value £1,000), by Hunt and Roskell; to be presented with an address, bearing the Names of all those who have promoted the Testimonial.

Sir James Outram having been compelled by the state of his health to decline an invitation given to him to meet his friends and admirers at a Public Banquet on the occasion, the Service of Plate, with the Address, was presented to him, at his residence, No. 10, Queen's-gate-gardens, on Friday the 4th July, by His Grace the Duke of Argyll, Kt., and a Deputation consisting of Members of the Committee and others who have signed the address on behalf of the general body of subscribers.

ADDRESS.

Sir James Outram, on behalf of those whose names are inscribed upon the accompanying Scroll, we request your acceptance of this Service of Plate, forming part of a Testimonial voted at public meetings held in the capitals of England and of India, to commemorate your great and good deeds, and to do honor to your worth.

The names enrolled are those of men of different classes and different countries, many of whom, knowing you only by the achievements which you have bequeathed to history, admire your heroism and chivalry from a distance; whilst others, who have enjoyed the privilege of more intimate relations with you, and have closely observed the simplicity, the gentleness, and the manliness of your character, blend with a still higher admiration the most affectionate feelings of personal regard.

Among the soldier-statesmen reared and fostered by the military system of the East India Company you will ever hold a conspicuous place. Successful in war, you have been equally successful in peace; you have conquered hostile races alike by the vigour of your arms and the civilizing influences of your humanity; and you have taught the strangers whom you have subdued, scarcely less than the comrades whom you have led to victory, to reverence and to love you as a Father and a Friend. By men of your stamp was our Indian Empire first won; by men of your stamp has it now been preserved.

Earnestly hoping that, whether in the front rank of the public service, or in the retirement of private life, you may long enjoy the honors you have so nobly won.—We are, your sincere friends and well-wishers, ARGYLL & OTHERS.

London, July 1862.

SIR JAMES OUTRAM'S REPLY.

MY LORD DUKE; GENTLEMEN—MY FRIENDS,—I thank you from the bottom of my heart—I thank all, whether present or absent, in England or in India, who have united to render me this great honour. I cannot venture to think that I have done all that you say of me; but I know that, with such powers as God has given me, I have honestly tried to do it.

I was reared under a system which gave to every man an equal chance of going to the front; and I owe it to that system that I am now standing before you—less, I cannot help thinking, on account of my individual deserts, than as the representative of the great Service, now passed into a tradition, to which for forty years I had the honour to belong.

If to anything in myself I owe such success as I may have attained, it is mainly to this—that throughout my career I have loved the people of India, regarded their country as my home, and made their weal my first object. And though my last service in the field was against the comrades of my old associates, the madness of a moment has not obliterated from my mind the fidelity of a century, and I can still love and still believe.

I thank you again for your great kindness. The memory of it will go with me to my grave.

The Service consists of ten Pieces, viz.:—Two Epergnes and Eight Dessert Stands, of rich ornamentation and Indian architecture.

Upon the base of each Epergne are three figures, surrounding the stem; the figures on one representing a Soldier of the 78th Highlanders, a Seikh Chief, and a Bheel; those on the other, an English General-Officer, a Persian, and a Scindian. Plantain and Palm Trees are introduced between the figures. The Stem, springing from the centre, is surmounted by a perforated ornamental basket, shaped so as to receive a cut glass dish.

On each of four of the Dessert Stands is a figure, that on the first being a Female, typical of India; those on the others representing the three Presidencies, viz.:—a Mahomedan for Madras, a Parsee for Bombay, and a Hindoo for Bengal. Over the head of each figure rises a Plaintain Tree, to support the glass.

The four other Dessert Stands are of the same style of ornamentation, but are without figures.

Each Epergne bears the following inscription:—

PRESENTED TO LIEUT.-GENERAL SIR JAMES OUTRAM, BART. GCB. KSI.

BY HIS NUMEROUS FRIENDS AND ADMIRERS, IN RECOGNITION OF HIS EMINENT SERVICES, AND HIS PUBLIC AND PRIVATE WORTH.

July, 1862.

BOMBAY POLICE INTELLIGENCE.

FORT POLICE OFFICE.—FRIDAY, AUG. 8TH.

(BEFORE W. CRAWFORD, ESQ.)

THE CHUCKLA MURDER.—The prisoner Ismail bin Ahmed was again brought up and placed at the bar, when the examination of the witnesses were again resumed.

Kurrumbes, woman, was examined.—She stated that she gave evidence before the Coroner and narrated what occurred on the morning of the murder.

Some other evidence was taken, but no new facts elicited.

His Worship again adjourned the further hearing of the case until Monday next.

CAPTAIN SMALES' CASE.—This case was called on for investigation shortly after two o'clock, when the accused was in attendance.

Mr. Dunbar, instructed by the crown solicitor, attended on behalf of the prosecution.

Mr. Scoble, instructed by Mr. Sangster, for the defendant.

Mr. Malone was called and his examination resumed. The next item on the debit side is cash to Quartermaster for carriage recovered from Lieutenant FitzSymon Rs. 20. This amount was recovered from Lieutenant FitzSymon by defendant, and should have been paid to Quartermaster Woodin. The next item of cash in hands of defendant to credit of the master tailor is Rs. 234-7-8. This money has been credited by the master tailor to the merchant in England and has been recovered by the defendant from the officers, and should have been passed by him to the credit of the merchant. The next item is cash recovered from Surgeon Turnbull to credit of Jevunjee Rs. 46-15-0. This money was recovered from Surgeon Turnbull, who gave an order on defendant to Jevunjee, but the money has not been paid. Next item for compensation in lieu of clothing Rs. 8,168-13-4. This money was paid over to defendant on the 11th July. Next item cavalry equipment allowance to bandsmen Rs. 104-9-0, this money was paid over to defendant on 11th of July. The next item is compensation for dearness of provisions Rs. 1,026-10-0, this is money allowed to the native followers of the 6th Dragoons from their arrival at Mhow for dearness of provisions. The total on the debit side is Rs. 48,366-9-0. The first item on the credit side is by balance credit on June abstract 5,235-10-10. This is the balance credit standing to defendant on June abstract at the divisional pay office. Next item outstanding bills, advances, etc. as per statement Rs. 5,543-8-5. Bills have been preferred for the several sums contained in this item which I believe will be eventually passed. Next item debts of officers Rs. 387-10-3. These are the debts of officers on the ledger for the month of June. Next settlement and defaulters' sheet and small books on hand Rs. 6-12-0. This amount of money has been paid by the defendant to the War Office for these books and sheets and are in store. The next item compensation in lieu of clothing issued by defendant Rs. 4,299, this money was issued to the troops by defendant. Cash advanced for troops for July Rs. 8,800, this money was advanced to the troops on account of subsistence. Cash advanced to Quartermaster on account of quarterly contingent, Rs. 694-1-4. This money was to meet contingent expenses of Quartermaster and to pay regimental tradesmen. Captain Curtis' pay to 15th July, Rs. 163-14-2; Lieutenant Bennett's pay to 15th July Rs. 286-12-7, this is the pay of these two officers paid up to that date before going on leave to Simla. Compensation for dearness of provisions issued by defendant Rs. 2-6-9; making a total of Rs. 23,479-12-4 on the credit side, showing a deficiency of Rs. 24,901-12-8. There is a balance debt Rs. 13,370-10-9 on the abstract for May from the defendant, this balance does not appear on the June abstract as the amount of Rs. 13,370-10-9 was stopped from the defendant on 11th July, from the July advances, this was done because the June abstract had not been adjusted, nor was it likely to be adjusted before the 18th or 19th of July. Major Scott, divisional Paymaster being about to close the divisional pay office on the last day of July was anxious not to hand the defendant over in debt and therefore stopped the money before the June abstract could be adjusted, this money was stopped on the 11th July when the last advance was made for that month. The 33,000 rupees advances includes the debt of Rs. 13,370-10-9. I produce copies from the abstract book which was sent to the defendant for examination, dated April and May. I received Rs. 23,000 and the balance of Rs. 326-1-8 in my hands in the month of July which I got from defendant and paid away that month. More than two-thirds of this money was money paid in July which should have been paid in the month of June by defendant, the officers private accounts were settled on the 12th July, which settlement was for the month of June. The balances on the troop pay list for June, were paid on the 7th July. I know Serjeant Russel, the master tailor of the 6th Dragoons. I believe in the month of April that Serjeant Russel paid to Serjeant Bennett the sum of Rs. 200 to be remitted to England. The Colonel objected to the money being remitted through this channel, he said it was a private remittance and it had no right to appear in this return. I spoke to defendant about it who said he would give him a cheque on Cox and Co. for the amount. The money was credited to defendant by me. I heard no more about the cheque until the Sunday previous to my leaving Mhow, when Serjeant Russel came to me with the cheque which I now produce and the protest that it was returned dishonored.

Mr. Scoble enquired whether this was to be added to the charge, if it was not, then no evidence was admissible in respect to it.

Mr. Dunbar said, that in a charge of criminal misappropriation he had a right to do so. He had a right to show the position in which the accused was placed. He therefore wished to put in the document.

His Worship observed, that he did not think it was admissable, unless the charge was added to the other one, he objected to it and would not receive it, as he thought it was unfair. He would make a note of it and send it up to the Supreme Court in the event of the case being sent there.

Mr. Scoble said, that before he cross-examined Mr. Malone he would ask His Worship whether the evidence of the witness had substantiated the charge brought against has client.

His Worship said, that he was not in a position at present to form any opinion. As far as he was concerned he intended to hear all the evidence that could be produced, and then he would endeavour to form a dispassionate opinion on the case.

Mr. Malone, cross-examined by Mr. Scoble said,—Captain Smales was put under arrest between the 27th and 29th of March. His sentence was read out, that he was to be cashiered, on the 18th of July. His sentence was officially published in Regimental orders on the 18th of July, but I don't know whether he was released from arrest. Captain Smales was in arrest from the 27th or 29th of March until the 18th of July. I became acting Paymaster about the 2nd of April and I continued that duty until the committee of Paymastership on 19th July. The defendant's office was in his own house until early in the month of June, when by order of Colonel Crawley the office was removed to my house. I cannot say whether all the books were taken away, I know that he had the ledger, but I cannot say whether there was any other books left with him. I believe that defendant was dissatisfied with it. Captain Smales told me that he had written to the Commander-in-Chief about it. He might have mentioned it to me more than once. He showed me two letters one from himself to the Commander-in-Chief and one from the Commander-in-Chief in answer to it. I don't remember his showing me any memorial on that subject, but he showed me several on other subjects. From the time that his office was removed until the 18th July Captain Smales did not on any occasion transact business at my house. Captain Smales got the abstract on one occasion, and he was shown the cash accounts. He kept the ledger himself. About the time that the office was removed to my house a committee assembled by order of the Commander-in-Chief to examine the books and the cash balance in the hands of the defendant. The Committee was composed of Lieutenant Colonel Prior, Captains Renshaw and Garnett. I attended that committee, as acting Paymaster. The books were examined, the Regimental treasure chest was examined and found empty. I was asked if I had any public monies in hand. I replied that I had not, that the defendant kept all money himself, as I was only acting for him. A report was made and it was forwarded to the Commander-in-Chief under a covering letter of Colonel Crawley. I believe that the result of the investigation of the committee was, that there were no outstanding balances not admitting of satisfactory explanation, and that the officers, nearly all, acknowledged the correctness of the accounts up to the 30th April. All the officers were summoned to the orderly room and asked as to the state of their accounts, when they all admitted that they were correct, except one, which was a trifling matter any was afterwards adjusted. Colonel Crawley's letter enclosing the report, I believe, was dated the 2nd of June.

His Worship said, that he would adjourn the further hearing of the case until Monday next at two o'clock.

Mr. Dunbar applied that the defendant should be called upon to find additional bail beyond his own personal security. He was in a position to show that the defendant had remitted a large sum of money in hoondies to Bombay, amounting to about 22,000 Rs. Therefore he applied to His Worship to call upon the defendant to find two securities in 10,000 Rs. each or one security in 20,000 Rs.

His Worship enquired of Mr. Dunbar whether he was prepared to prove his assertion about the hoondies.

Mr. Dunbar said, that he was, and would send for the witnesses if his Worship would take their evidence at that late hour, past 5 o'clock.

His Worship said, that he would feel bound to sit to any hour for such a purpose.

Mr. Dunbar then handed in a number of hoondies.

His Worship then read over a list of the amount of the hoondies which showed the total amount to be 20,000 Rs. They were on Rampersaud and under the signature of the Cantonment Magistrate of Mhow.

Mr. John Gray sworn, said,—I am assistant accountant at the Oriental Bank. I do not know Captain Smales personally, but I know his signature, he has kept an account at our Bank, as far as I know, for about two years. These hoondies (produced) are all endorsed by Captain Smales, they are all, except three, receipted by an officer of the Oriental Bank, which shows that the money has been received by the Bank on Captain Smales' account to the amount of 20,000 Rs. the hoondies of the 12th June 1862 went to Captain Smales' credit on the 23rd; 4,100 Rs. has been placed to his credit since. There is now nothing to his credit.

Cross-examined by Mr. Scoble.—This is a statement of an account current published by the Bank to the defendants, it bears my signature and is dated 28th July 1862; and it shows Captain Smales to have overdrawn his account by Rs. 98-8-2. It appears from the account that Captain Smales has remitted to England fifty pounds. The accounts generally on the face of them appear to have reference to Regimental payments and Military funds; that seems to be the case throughout the account. As a Banker I recognise it as a private account and not as a business account. Of 11,000 rupees paid into the Bank only 500 rupees have been remitted to England and the remainder paid to Officers accounts, etc.

His Worship said, that he had made up his mind to call upon the defendant to put in the security required by the prosecution.

Mr. Scoble thought that the opinion arrived at by His Worship was erroneous. The learned gentleman proceeded to state that the defendant was a debtor to the Bank. He hoped that His Worship would not depart from his determination of the previous day. It was perfectly impossible for the defendant to find the required security, therefore he trusted the application would not be granted.

His Worship was of opinion that the requisite bail should be put in, as he thought that as the defendant had been apprehended on board the steamer, he might attempt to leave again; the Government were entitled to ensure his attendance. Therefore he considered that the defendant should put in the security required, namely, two securities in Rs. 10,000 or one in 20,000 Rs.

The enquiry occupied the Bench till twenty minutes to seven o'clock.

INDIAN.

BANGALORE.

DIVIDE ET IMPERA.—The number of our English subscribers have of late so considerably increased, and murmurs having reached us on account of so much of our columns being occupied with the vernacular language that we have, in difference to our English readers been induced to separate the two languages by publishing one in Canarese, and the other in English under its present English designation. On this account, *The News Recorder* shall henceforward be published in Cantonment. Those of our Native subscribers who may wish to subscribe for both papers can have them at the rate of 8 annas a month for the *Recorder*, and four annas for the *Vrittanta Bodhini*. The days of publication will also be altered—the English paper on one day and the Vernacular paper on another. In making this alteration considerable expence is entailed, yet, we make no additional demand on our subscribers, but merely solicit more extensive patronage from the merchants and inhabitants of Bangalore. Our advertising columns will be seen are open to them on a more moderate scale then that of any other paper in this Territories or at the Presidency. Our editorial columns shall be devoted to local matters of the deepest interest to the public, and our selections shall as usual be of the most interesting description.—*Vrittanta Bodhini, Aug.* 2.

BRITISH, COLONIAL AND FOREIGN.

LATEST INTELLIGENCE.

(From the Times, July 18.*)*

(Reuter's Telegrams.)

FRANCE.

PARIS, *July* 17, 8-25 P.M.

The *Moniteur* announces that M. Rouher will fulfil the duties of Minister of the Interior during the absence of M. de Persigny.

The Bourse opened firm, but was heavy at the close. Rentes were finally quoted at 68f. 30c., or 20c. lower than yesterday.

AUSTRIA.

THE BUDGET.

VIENNA, *July* 17.

The Minister of Finance submitted the Budget for 1863 to the Chamber of Deputies today.

The requirements for the military service are estimated at 20,000,000 florins, being a reduction on previous demands.

The total expenditure for 1863 is stated at 362,500,000 florins, and the income at 304,300,000 florins.

The Ministry proposes to cover the deficit thus arising by the receipts from the lottery of 1860, and by an increase in the taxes.

SICILY.

PALERMO, *July* 17.

Garibaldi has left this city for Trapani.

DENMARK.

VISIT OF THE KING OF SWEDEN.

COPENHAGEN, *July* 17, *Evening.*

The King of Sweden arrived at 5 o'clock this evening at Elsinore.

His Majesty wore the Danish uniform, and was attended by a numerous suite, among whom were two French officers, Colonel Castelnau and Lieutenant Clary.

The Crown Prince of Denmark and the authorities of Elsinore received the King.

The town was splendidly decorated.

Two hundred mounted peasants escorted His Majesty half way to the capital, at which point he was met by the King of Denmark in the Swedish uniform, surrounded by the Princes of the Royal House and a brilliant Staff.

The reception was most cordial.

Their Majesties rode to the Castle of Fredensborg, where they were greeted with acclamations.

AMERICA.

(From the Daily News, July 18.*)*

(FROM OUR OWN CORRESPONDENT.)

BOSTON, *July* 4.

The last three days have been the most anxious since the disaster of Bull Run. The most contradictory and startling rumours have filled the air. At one time the telegraph from Memphis announced that Richmond had been taken by the Federal forces; then the report came from Fortress Monroe that M'Clellan had been forced to retreat with the loss of his siege guns; and subsequently the despatch of M'Clellan himself, that he had succeeded in getting his army to Harrison Bar, on the banks of James River; that he had lost only one gun, which had to be abandoned because it broke down, and that he was now in his new position, with fresh reinforcements, and his men in good spirits. To unravel the tangled mass of fact, rumours, and wild speculations, and get at the truth, is exceedingly difficult. The censorship of the press is rigorous, and authentic intelligence travels very slowly. I will try to give in a few words the condition of affairs as they seem at this hour to an observer from this city. It is evident that M'Clellan foresaw the necessity of a change in the position of his forces. The enemy, by leaving every other point in the Confederacy unguarded, had concentrated an immense body of troops. Regiment after regiment came into Richmond from the South after the battle of Fairoaks. Jackson, from the Shenandoah, had formed a junction with the main army. It is also confidently asserted that Beauregard; with a portion of his army, had come north; but of this there is some doubt expressed. Be that as it may, the rebels had gathered most of their available troops at their capital. This fact was doubtless known to M'Clellan, and as his line extended so far he saw the necessity of drawing it in. The sudden journey of President Lincoln to General Scott was probably to consult him on this point. It must have been a matter of pressing and immediate importance that would induce Mr. Lincoln at this time to make a rapid trip of three hundred miles. The change was agreed on, whatever the reason for it. Early last week the stores began to move from the White House, and the Federal commander was to change his base to the James River. This was a difficult movement in the face of a vigilant and active foe, acquainted with every foot of ground. The rebels had undoubtedly prepared for an attack, and the overpowering force they brought on the right wing showed that M'Clellan had not moved any too soon. He expected an attack during his change of position, but did not anticipate one with so large a force. For two days—that is, Thursday and Friday of last week—there was severe fighting, while the Federals fell back. On Saturday night the left wing and centre of the army were ordered to retreat. A large force of the enemy, fresh from Richmond, soon began an attack, and for two days or more there was very severe fighting, with great loss on both sides. The severest battle seems to have been on Tuesday. As the Federals had reached the river their gunboats became of very essential service, and judging from the meagre accounts, the rebels suffered more on this day than in either of the previous contests. The latest account up to this morning was a despatch from General M'Clellan, dated at noon yesterday, in which he speaks of his men as in excellent fighting trim. His army occupies a high and advantageous ground—he gunboats are effectively imposed for its protection. Supplies can easily be forwarded to him, and reinforcements have already arrived. Whether the enemy will attempt another battle at present is not certain. They will be drawn away from their entrenchments, and be exposed on one wing to the fire of the gunboats. After so severe a conflict both sides will need a few days to recruit their exhausted strength.

With this general survey of the ground what are the strategic results? The contest near Richmond will be prolonged. It is evident the Federals have a much bigger job on their hands than they supposed. The enemy, by dint of extraordinary exertions and leaving all other points exposed, have massed an immense army. So far as we can judge, the officers handled this force with skill and effect. They have forced their foe to change his plan, and to fall back. This is a gain to them. It gives them prestige in the South, imparts new courage, and will nerve them for more desperate encounters. M'Clellan to-day is further from Richmond than a week ago. If he could not hold his former position in the face of superior numbers, he cannot now advance until he is largely reinforced. Till this is done he can only act on the defensive. So, unless the enemy attack with their whole force, there will not be another great battle until the combatants have gathered additional resources ready again to grapple in deadly strife. The war has not yet reached its full fury. The North even now has not aroused to any approach to the earnestness of the South, and, in its desire to conciliate, and its under-estimate of the strength and resources of the Secessionists, has failed to put forth its Herculean strength. Roused by this check, it will enter anew into the contest, and with redoubled exertions enlarge its army. The President, upon a request from the State governors, has called for 300,000 more troops, and all through the North the recruiting officer will be seen gathering in the new army. The present prolongation of the strife at Richmond will lengthen out the war, and peace seems further off than ever. Which party can keep up the contest the longer? This is the question. It is one of resource and endurance.

What effect will the present condition of military affairs have on public opinion? On the question of nationality the North is united. With the exception of two small parties, which touch each other, on the principle that two extremes meet, the entire North is animated by a determined Union sentiment. This, I think, is as deep and strong as it was the day after the fall of Fort Sumter. Then, it burst forth in passionate expression; it had all the ardour and fervour of a fresh emation; it stirred men intensely. Now, after more than a year's fighting, it has grown into a fixed and determined purpose. The feeling has crystallised into an unalterable principle. Nothing but absolute necessity will ever cause the North to change its national aspirations. The European will now see more striking exhibitions of this spirit. The leaders, as a whole are behind the people, and have to be pushed on. At the South it is different. There the leaders are more determined than the masses; but both the leaders and those led in each section will be compelled by the forces of society to unite and carry on the contest. The controversy for the dominion of the two civilisations must by an inevitable law of human action involve the men and society who mould and give character to each civilization. If the one cannot destroy the other, then the two must exist as rivals and antagonists. The question is no clearer to-day than it was a year ago that one of two results must follow—either disunion or emancipation. But certain as this was to those who comprehended when the war began the real nature of this struggle, it was denied by a large class, and even now astute and adroit politicians are busy with schemes to keep both slavery and the Union—schemes which are as possible as the mixing of oil and water. To this class the recent position of affairs is especially gloomy. As the necessity becomes more pressing for the North to gather all the forces at its disposal to strike the foe a more effective blow, will it be possible to avoid the most vulnerable point of all? Will the government refuse to call in the aid of the four millions at the South whose moral, social, and political welfare are bound up in the result? It does not meet the case to say, as did the President a short time since to a delegation of Progressive Friends, that we must first establish the authority of the government at the South before an edict would be of any avail. There are thousands of negroes to-day whom the government could have for the asking. Let a pressing emergency arise and the authorities at Washington will not have the choice; the necessities of national existence will compel the North to use the negro as an ally. Hence the most earnest and devoted anti-slavery men find consolation in the additional demands which are now made for the suppression of the rebellion. From the extracts of speeches I have given from such men as ex-Governor Brown, of Tennesee, General Rousseau, of Kentucky, and Governor Stanley, North Carolina, all of whom are Southern men in tone and feeling, and who detest the very name of abolitionist, it is plain that these men clearly foresee in a prolongation of the war the sure downfall of slavery. The war from present appearance is not near its end; hence, according to their reasoning, slavery must fall. It is not necessary to repeat now what I have constantly maintained from the beginning. The men who have hugged the delusion that the Union and slavery could both be preserved are catching gleams of light. Ere another year shall have involved the country more deeply and desperately in the strife, they, will see the resplendent noon. The real friends of freedom in Europe must not, therefore, lose heart and think that the cause of liberty will materially suffer even from a temporary check of the Federals in their advance on Richmond.

In this connection the letter of General Hunter to the War Department has more than ordinary interest. For some time the papers have been filled with the statement that this officer was organising a regiment of negroes at Hilton Head. The more conservative Unionists have denied that he had the sanction of the government for this act. To get at the facts, Mr. Wickliff, of Kentucky, one of the Union guardians of slavery, prevailed on the House of Representatives to pass a resolution of inquiry. The War Department sent a copy of this to General Hunter, to which he has sent a reply. From this it appears that he had no direct orders from Washington to arm and equip the blacks but, falling back on the general instructions given to his predecessor to use the negroes and arm them if military exigencies demanded, he has organised a regiment of blacks. He justifies this on general grounds, and evidently regards his efforts, so far as made, as very successful. In this way he has already "clothed, armed, and equipped the only loyal regiment yet raised in South Carolina" "They are," says his official report, "sober, docile, attentive, and enthusiastic, displaying great natural capacity for acquiring the duties of the soldier. They are eager beyond all things to take the field, and be led into action." Some of the Northern papers have declared that the officers appointed over this regiment refused to accept. There might possibly have been a few of whom this was true, but Gen. Hunter gives us no authority for this. On the contrary, he tells us that the War Secretary that it is the opinion of the officers who have them in charge that in the peculiarities of this climate and country they will prove invaluable auxiliaries, fully equal to white regiments so long and successfully used by the British authorities of the West India Islands. Several additional regiments could easily have been formed, and he hoped to present to the government by the end of next fall from forty-eight to fifty thousand of these hardy and devoted soldiers. If thus nearly fifty thousand effective men could be raised near Hilton Head, could not the same thing be repeated at New Orleans? General Phelps, who commands at Ship Island, has already asked General Butler, and the latter the authorities at Washington, what is to be done with the hundreds of negroes coming within the lines? The strong anti-slavery opinions of the commander at Ship Island are known to the world. He does not hesitate to say anywhere, and everywhere if you want to deal a fatal blow to the rebellion, strike at slavery. This officer would gladly welcome permission from Washington to organise and equip regiments of black men, and fit them to perform the duties, and be exposed to the dangers, of a soldier's life. The time has not yet come for this, but it will come. The reluctance to touch slavery and the prejudice against colour will both yield to the higher and more pressing emergencies of national existence: and what the North refuses to do on the score of justice it will be compelled to accomplish under the spur of imperative necessity.

As yet we have not received any reliable accounts of the loss of either party in the several battles. The first reports are always exaggerated, and a large number of the missing return to their regiments. The correspondent of the *Examiner*, of July 2. The rebel division of 14,000 under General Hill, made an attack on Monday afternoon, and the result they describe as very severe. The *Examiner* says that on the next morning the division only numbered 6,000. This was the battle of Monday. On Tuesday, if we may rely on M'Clellan's despatch, when Jackson's and Huger's divisions attacked his left flank, the rebel loss was very much more severe. The fight continued all day, and was kept up by the gunboats the following morning; but as M'Clellan's despatch was dated 12 o'clock (noon) of Wednesday, the fighting was over, and he was in the position he desired.

Within the last twenty-four hours the tone of public feeling has gained in elasticity, and the universal opinion is that the government must go to work with renewed energy to send forward reinforcements. The rebels already have made every possible exertion, and have appeared in full strength. Soon troops by the thousand will be pouring into the James River. Already it is thought a portion of the great army of the West, relieved from duty there, will join M'Clellan's forces. Pope is at the head of an efficient army movingdown the Shenandoah, and his force, with his well-drilled and body, can be ordered North, if he has not already been. Thus even without availing themselves of a single new recruit the Federals can in a very short time concentrate powerful reinforcements. The thousands who now have given up their lives on the banks of the Chickahominy are only the precursors of the hundreds who will fall in the willing offering in this cause. The predominant sentiment at the North now is, let us have no half work. If the government wants a half million more men to suppress the rebellion, let it ask for them. Thus your readers will see that the end is not yet. As the telegraph to-day carries the tale of death to the villages and Towns of the North there is Lamentation and grief. The cry of human agony rises from myriads of hearts. On this day which commemorates the national birth, the women of New England, animated by the most devoted patriotism, are offering their sons. Drinking anew the spirit of liberty which animated their mothers of the revolution, they yield up their sons on the altar of their country. There is no shrinking, no faltering. The South, and on this anniversary day, as the booming cannon echo from hill-top and along the valley, a deeper moral earnestness fills all hearts. If any European supposes that the events of the past week have damped the ardour of the North or taken a jot from its determination to maintain the integrity of the nation, he will greatly mistaken. Whether disunion or slavery is finally adjusted. Answer. As a reporter of present feelings and prevailing opinions I must affirm the existence of even an increased and more resolute resolve to pour out their blood and treasure in the cause of national existence.

These stirring events have a tendency to give additional currency to rumours of foreign intervention, which find believers, notwithstanding the explicit declarations of public men. But they have no authority beyond the fancy or the fears of men. The time for foreign intervention has not yet come. European statesmen and rulers will gaze on this struggle for some time longer ere they involve themselves in it, and not till the disputants are in a better mood for mediating on a settlement will the services of third parties be offered or accepted.

MINUTE ON INDIAN FINANCE, WITH REFERENCE TO ALLEGED MISTAKES IN THE BUDGET OF INDIA.

ON my arrival from India, I find that there has been made public a Despatch from the Secretary of State respecting Indian Finance, to which it is necessary that I should make an immediate reply. If the statements therein made only affected myself personally, I might have waited until my health was more nearly restored, and until I had obtained access to all the financial documents of the last two years; but the credit of Lord Canning's Government and public interests of the greatest importance are alike at stake on the issue, whether there be or be not a mistake, involving a deficiency of upwards of £1,000,000, in the Indian Budget. As the material facts lie in a narrow compass, and are perfectly clear, and as it is very desirable that they should be known before the Annual Statement of Indian Finance is laid before the House of Commons, I think it better not to delay a day longer in submitting what I believe to be a conclusive reply.

I pass shortly over the questions as to the Accounts and Estimates of 1859-60 and 1860-1; for, as the Secretary of State observes, they involve no practical action, and neither I, nor any existing member of the Indian Government, can be held in any way responsible for them.

It is perfectly true that Indian accounts have been very confused, and that nothing like a regular budget, based on estimates, was ever submitted until 1861.

I have myself said so; and a great part, both of Mr. Wilson's labour and my own, was devoted to the task of reforming the old system and assimilating it to that of England. This, however, was a task not to be accomplished in a day, and I think it no disparagement to the memory of Mr. Wilson to admit that the actual Indian expenditure of 1860-1, exceeded his estimate by £1,275,000, or that he did (with his own hand, as I have reason to know) make what the Secretary of State calls an "arbitrary reduction of" upwards of £1,000,000. in the home charges;" but which was in effect only applying the principles of every English budget to that of India, by entering, as I have done, extraordinary payments as debits, and extraordinary receipts as credits of the year in which they fall. The fact remains, that Mr. Wilson sacrificed his life in carrying out important measures, of many of which, though interrupted by his untimely death, I reaped the benefit; and I am the more anxious to state this, because I differed from much of his policy with regard to currency, and new taxation.

The material point is whether, with the improved machinery which has been brought to bear on the accounts and estimates of India for the last year, we are still so much in the dark as to have made mistakes of upwards of £1,000,000 in our figures, and to have remitted taxes on the faith of a surplus, when we really had a deficit. This charge is based entirely on the mode of dealing with two items in the home charges viz., the so-called "Loss by Railway Exchange," and the refund of China advances.

after the mutiny; to allay animosities of race and party; to create feelings of attachment among the native population to the British rule; and to carry all classes along with us in an endeavour to develope the great resources of India, and to improve the material and moral condition of its vast population.

If to this I add, that while laying down the cardinal axiom that India was to be governed for the good of Indians, we held that one of the chief means of promoting this good was by encouraging the extension of independent European capital and enterprise, I shall have briefly summed up the principles which guided Lord Canning in every act of his administration during time I had the honour of serving under him.

The desired result has been in a great measure attained; but we have to look back only a very short period to a very different state of things. When I first landed in India, in January, 1861, the aspect of affairs was full of gloom and danger. The urgency and long continuance of the financial crisis had not only created a general feeling of alarm and insecurity, but had, to a great extent, shaken confidence in the Government. Nearly all classes of the community were, for one reason or other, deeply dissatisfied, and animosities of race and party never ran higher; unless when merged, as in the case of the Mysore Grant, in one common feeling of indignation at some act of the supreme authority.

The official classes had suffered to the extent of not less than 20 or 25 per cent. of their salaries by the excessive rise in rents, wages, and prices and by the income tax. Many of the military officers had suffered still more from the army reductions and amalgamations; and both civilians and military men were exasperated by what, whether rightly or wrongly, they considered the undue suspense in which they had been kept, and the want of consideration of the Home Authorities in dealing with their claims.

The non-official Europeans were engaged in a bitter feud with the local Bengal Government, and were loud in their complaints of systematic discouragement of independent capital and enterprise.

Among the native classes, although Lord Canning's wise policy of sanctioning the right of adoption had to a great extent conciliated the princes and nobles, a vast deal of smothered discontent existed among the smaller landowners, the trading classes, and the mass of the population, owing to the imposition of the income tax, the threat of the license tax, and the general fear of an indefinite succession of new and unpopular taxes—a fear which was made the most of by every agitator hostile to British rule.

The extent of this feeling has, I think, never been properly understood in England, where the income tax and license tax have been looked upon, from an English point of view, as equitable in theory, and open to no greater objections in practice than similar taxes would be in England. But there is no sort of analogy between the practical working of such taxes in England, and in India. In India, the attempt at classification is an infinitely greater evil, than the direct incidence of the tax. The income tax required 700,000 or 800,000, the license tax would have required 5,000,000 or 6,000,000 taxpayers, to be assessed or arranged in classes after more or less investigation into their means.

Such an inquiry could only be conducted by a large staff of subordinate native officials on low salaries. It is absolutely certain that it must call forth a vast amount of annoyance, chicanery, evasion, oppression, and extortion. Nor were these apprehensions chimerical; on the contrary we were warned from all quarters by our most experienced officers, and most of all by influential natives whose fortunes were bound up with ours, and whose loyalty we could not doubt, that a great change was taking place in the feeling of large classes of the native population towards us, owing to the incidence, and still more to the apprehension of new taxes. I shall never forget the emphatic observation of Lord Canning at the first interview I had with him, that he deeply regretted the necessity which compelled him to impose the income tax; and that, to use his own words, "danger for danger, he would rather risk governing India with 40,000 European troops without new taxes, than with 1,000,000 with them.

The rising in Assam, which were universally attributed by the local officers to the income tax, or rather to the use made by designing men of the terror inspired by the new English taxes, among an ignorant population, are a significant commentary on these words.

If an impression prevails here that the new taxes were a success, and the principal means of restoring the finances of India, it is important to contradict it. The deficit of £10,790,000 in 1860 was converted into a surplus of £1,400,000 in 1862, by reductions of more than £8,000,000 in military and other expenditure in India, open to revision, and by the addition of upwards of £2,000,000, to revenue from existing sources, such as land, excise, salt, and stamps, which were scarcely felt: whilst not above £1,500,000 net was realized by the new direct taxes on the English model, which convulsed Indian society.

It was an object, therefore, of the first political importance, to change the current of feeling produced by these unpopular measures, by proving to the native population that we were not, as they universally believed, insatiable of new taxes.

Accordingly, I always felt that I must not be satisfied with the mere financier's view of getting both ends of my budget to meet, no matter whether by reductions or by new taxes, but that I must press for such large reductions as would not only establish confidence in the energy and foresight of the Supreme Government, but also so completely restore our finances as to enable us to arrest the progress of direct taxation, and alleviate its pressure. Thanks to the clear judgment and unwavering support of Lord Canning, to the valuable aid of Sir Bartle Frere, Mr. Beadon, and my colleagues in council, and to the truly illustrious labours of Colonel Balfour and the Military Finance Commission, the task was accomplished; and, in less than four months after I landed, a deficit, estimated in the latest official document published by the Government of India while I was on my way out, at upwards of £6,000,000, was extinguished. The effect in India was great. Confidence in the future and in the Government was almost instantaneously restored; and the chorus of grumbling which pervaded Indian Society, was changed at once into one of hopefulness and satisfaction.

The further measures of Lord Canning in sanctioning the sale of waste lands in fee simple; in resolutely holding the balance even between the Bengal Government, the ryot, and the planter; in enforcing a reform of the Bengal police, and extending the Courts and local judges; and finally, in straining every nerve to push forward the construction of roads and communications, completed the satisfaction of the European community.

It remained to deal with the less obtrusive but more extensive and dangerous discontent of the native population, occasioned by the new taxes. In my first budget we suspended the license tax from a conviction, that nothing but absolute necessity could justify us in imposing such a tax on 5,000,000 or 6,000,000 of artizans, mechanics, and petty traders, in order to realize such a paltry sum as 500,000*l.* or £600,000.

During my absence in England, an alarm as to the price of opium led to the bill being passed into a law, but no sooner had I ascertained, on my return to India, that the alarm was unfounded and that my estimate would be more than realized, while the state of the cash balances demonstrated that there was no fear of a deficiency, than I proposed to Lord Canning, whose cordial assent I at once received, that we should not proceed with the license tax.

Two taxes, so specially and urgently objectionable that nothing but absolute necessity could justify their continuance, still remained. The arguments against the extra 5 per cent. duty on imported manufactures are too well appreciated here, to make it necessary to recapitulate them.

I observe indeed that the Secretary of State, at an interview with a deputation from the manufacturing districts, argued at considerable length that they were mistaken in supposing that these duties were injurious to their interests or inconsistent with free-trade principles, inasmuch as the import trade had increased since their imposition.

On this view only can I conceive that it could have been justifiable in the urgent state of distress in the cotton districts, to retain for a single day these duties, after it was proved by the cash balances that they were no longer indispensable. For my own part I never doubt that the extra 5 per cent. duty was a great evil; and this was not only my own opinion, but that of two statesmen whose authority ought to carry some weight in a question of this nature,—Lord Canning and Lord Elgin; and I may refer to it as an illustration of what I have always contended for, viz. that it is better for the interests both of England and India that India should be governed in India, subject only to a general control, and not a minute interference from England.

This much is certain, that if I had considered myself a mere clerk, bound to consult implicitly the supposed wishes of the Home Authorities, and to accept without examination, there views of Indian finance, however contrary to my own judgment and to the facts of the case, the import duties would at this moment be 10 per cent., and feelings of irritation and discontent would have been brought home to every village bazaar and every artizans workshop in India, by the imposition of the license tax. Distinct official instructions I should of course always have obeyed: but in the absence of these I considered myself responsible to Lord Canning and to the public, for exercising the best independent judgment I could, in all questions in my department affecting the interests of England and of India; and for proposing to the Governor General in Council, such measures as seemed to me best calculated to promote the welfare of the Empire.

I have coupled another reduction, *viz.* that of the 2 per cent. income tax on incomes below 50*l.* a year, with the reduction of the import duties, because it was in fact a necessary part of the measure. However objectionable the extra import duty may be on general grounds, and however severely it may have been felt in England, the fact remains that it was not an unpopular tax in India, either with Europeans or natives. Its repeal, without any alleviation of the income tax, would, therefore, be beyond all question, have produced a very strong and general feeling that India was not governed for the good of India, but was sacrified for the benefit of England. But by coupling this reduction with that of the lower grade of the income tax, which at once relieved nearly three-fourths of the payers of the tax, consisting of the very classes who suffered most from it, at a cost to the Treasury not exceeding £250,000, not only was all feeling against the remission of the import duties obviated, but a very strong, and I venture to say unprecedented, feeling of gratitude and loyalty to the British rule was created among large masses of the native population.

It is the fashion with some to say that Asiatics are insensible to benefits, and can only be ruled by fear. My experience of India leads me to give this a decided contradiction. No people in the world could have responded more readily or more gratefully than did those of India, to the later acts of Lord Canning's administration; by which his determination to govern India as a trust committed to his hands for their benefit, was made manifest.

Nothing could exceed the warmth and unanimity of feeling of the native community towards Lord Canning on his departure: and deeply as his untimely death is to be lamented, I believe it will intensify that feeling, and that his memory will long remain a bond of union between England and the millions of India.

When I reflect on this; when I look at the marvellous results of that last year, in which all the fruits of Lord Canning's policy seemed to blossom forth at once; when I call to mind how closely that policy was identified with the financial measures in question, how thoroughly they were weighed by him, and how great importance he attached to them; I confess that a Despatch, which before his remains are cold in the grave, holds him up to the public of England as a weak ruler, led by an ignorant or unscrupulous Chancellor of the Exchequer into financial blunders which have created a deficit, takes me greatly by surprise.

I repeat, that even if there had been a small deficit, still, with a cash balance exceeding £17,000,000, (or at least £8,000,000, more than was requisite to carry on the business of the State), with a buoyant revenue, increasing at the average rate of £750,000, a year, and with an expenditure out of revenue of upwards £4,000,000 a year on public works, forming a real reserve or sinking-fund such as no other country in the world possesses; it would, in my judgment, have been impolitic to delay the remission of two such taxes as the extra import duty, and the petty income tax.

It is impossible to imagine greater political results, purchased more cheaply; and as a mere question of pounds, shillings, and pence, I assert, without fear of contradiction from any who knows practically the present state of India, that the sacrifice of £250,000 a year, in giving up the 2 per cent. income tax, would enable us, in case of need, to reduce our army to an extent which would save us £1,000,000 a year, and yet leave our rule in India more secure than ever.

And if these considerations might have applied even with a deficit, how much more strongly may they be urged in a state of things where the accounts, if kept on the principles of English Treasury, and of common sense, show a surplus; and where the increase of the Cash balances, without any loans, to the unprecedented amount of £17,783,978—exclusive of £3,000,000 of Cash and £500,000 of Government Securities held against £3,500,000 of Currency Note,—proves, beyond possibility of doubt, that however the accounts may be stated, there has in point of fact been an excess of revenue over expenditure?

It only remains to notice the injunction to withhold the extra grants, destined for public works and education.

As regards education, I will only observe that if roads are the great material want, schools are the great moral want of India; that a thirst for education is rapidly extending among the native population; and that the extra £1000,000 which it is proposed to give, will elicit more than another £100,000 in the way of voluntary contributions.

As regards roads I can speak more especifically. The late able Secretary of Public Works, Colonel Yule, who left India with Lord Canning, recorded a minute in which he reviewed the whole state of public works in India. He showed conclusively that a large expenditure had been going on for many years in driblets by which a number of most important roads and other, works had been advanced considerably towards completion without any appreciable result, because they were not finished throughout, but left in isolated sections. Even on the grand trunk-road, within a short distance of Calcutta, several interruptions worse than breaks of gauge, occur from rivers and ravines being left unbridged. Colonel Yule pointed out that if, in addition to maintaining our present rate of expenditure, we could devote £500,000. a year extra for two or three years, to the completion of such works, a very great result would be attained.

There was no object nearer to Lord Canning's heart than this, and his only doubt was, whether, with such a large cash balance, we should confine ourselves to the £500,000. which could be spared without incurring a deficit, or take a further sum avowedly from the surplus balances.

This is a grave question; and with the certainty of the vast benefits which would infallibly accrue from the early completion of roads and works of irrigation, and in the present aspect of the cotton question, I believe nothing prevented Lord Canning from proposing the additional outlay of at least £1000,000, but the doubt whether, with an expenditure of £11,000,000 a year already going on between railways and public works, more money could be spent with the existing machinery of the public works' department, without waste and extravagance.

It was considered more prudent also, while the restoration of confidence was so recent, to do nothing that might diminish the cash balances, excessive as they were. For these reasons Lord Canning confined himself to the extra expenditure of £500,000 asked for by Colonel Yule, and available from surplus revenue; but I am certain it would have caused him the deepest disappointment if he had been told that he must forego this, in order to meet a nominal entry like that for railway exchange, or because the repayment of China advances was not a legitimate credit, in an account where such charges as those for the new India Office and Persian telegraph are inserted as legitimate debits.

Whether these reasons will in England be considered sufficient for imposing restrictions which must undoubtly retard the period when cotton in sufficient quantities can be forwarded from the interior of India, is a question which those who are more immediately interested in the matter can best answer; but my own conviction on the subject is so strong, that I sincerely hope discretion may be given to Lord Elgin in this respect and that he may be allowed to proceed with public works on the scale proposed: so long, at any rate, as cash balances, which are an unerring test, show no sign of falling below the amount of corresponding periods last year.

The Secretary of State urges further economy on the Government of India, and I have no doubt that Lord Elgin will do all that is possible. He has, I know, every disposition to carry out the policy of a wise and enlighten economy, and I believe every quality, both of innate faculty and of acquired experience, necessary to enable him to do so with success.

At the same time I must remind the Secretary of State, that where reductions of upwards of £10,000,000 have been effected in two years—of which nearly £ 6,000,000 has been saved in little more than twelve months on an expenditure of not more than £29,000,000 open to revision,—further reductions are not easy; that the largest head of expenditure, *viz.* for the army and navy, depends much more on the Home than on the Indian Government; and that if the policy of encouraging European enterprise and capital is to be maintained, some increase of expenditure is inevitable, in extending local courts with judges capable of administering justice between Europeans and Natives.

I must remind him also that a fourth of the expenditure of India takes place in England, and that while we in India have since 1860, reduced our current expenditure, excluding fixed charges, by upwards of £10,000,000, no corresponding reduction has taken place in the current expenditure in England, which is stated at £3,394,646 in 1860-1, at £3,310,308 in 1861-2, and at £5,864,232 in 1862-3, exclusive of guaranteed railway interest: a result, which even after allowing for the increased interest on loans in England, I had hardly anticipated, looking at the large decrease of European force in India, and at the urgent necessity of imposing no burden that could be avoided on the taxpayers of India, during her passage through a great financial and political crisis. In fact, if interest on loans be deducted in each case, the Home charge on Indian revenue in 1862-3 is not £150,000 less than it was in 1860-1, when there were upwards of 20,000 soldiers in depots in England, paid for by India; and at this moment, my only serious ground of uneasiness for the current financial year, arises from the fear lest more recruits be sent out to India, than are required to keep up the establishment of European force which has been proposed by the Indian Government.

I now conclude the last lines which I shall write in the capacity of Financial Member of the Council of the Governor-General of India. Whether my health would have permitted of my return is doubtful, but, of course, this despatch decides the question. After sharing in what I believe to be the signal success of the concluding act of Lord Canning's Indian administration I cannot serve under a Minister who views a material part of that policy so differently, as to think that it calls for public censure and disavowal.

It is now just 18 months since I first landed in India, and during this period I have been absent six months from severe illness.

I found India with a deficiency estimated by the Government at £6,000,000; I leave it with a surplus.

I found it with an annual expenditure, open to revision, of £29,365,066; I leave it with one of £23,454,687.

I found it with a cash balance below £12,000,000; I leave it with one of £17,783,978.

I found it with gloom and despondency prevailing, great animosity of races and parties, and wide-spread disaffection and discontent; I leave it with one universal feeling of hopefulness and dissatisfaction, and amidst general expressions of loyalty and attachment from the natives of India to the British rule.

I have no wish to claim more than my fair share of credit as a member of Lord Canning's government for these results, but if they have failed to secure me against the repeated expressions of disapproval and disavowal on the part of the Secretary of State, I am recompensed by the consciousness that I have had no inconsiderable part in bringing them about, under the guidance and with the constant confidence and approval of that illustrious statesman who has been taken from us, and in cordial co-operation with colleagues such as Bartle Frere and Mr. Beadon, who have been selected as the fittest men for the highest posts in India.

If I required any further consolation I should find it in the belief that there is not a single intelligent man of any class, race, or religion in India, who does not recognise that as a minister of India, under most arduous circumstances, I have endeavoured to do my duty fearlessly and faithfully; and that my labours have been attended on the whole with more success than any one in India had ventured to anticipate.

S. LAING.

Hordle, near Lymington, July 10th, 1862.

THE INDIAN BUDGET.

HOUSE OF COMMONS.—THURSDAY, JULY 17.

The House having resolved itself into Committee on this subject.

Sir C. Wood rose and said,—Before I proceed to the substance of what I have to address to the Committee, it may be as well that I explain the nature of the proceeding which I propose should be adopted. On recent occasions, when financial statements with respect to India have been made either by the noble lord opposite or by myself, they have been occasions when powers have been asked from this House to raise money for the service of India. On the last occasion—in July last,—fearing that the railroad companies might not be able to raise as much money as would be required for the expenditure of the year, I took the precaution of asking power from the House to raise money. I am happy to say that the railroad companies succeeded in raising more than the sum required, and the power intrusted to me by the House I have not availed myself of. This year the finances of India are in such a state, though not quite so flourishing as at one time was represented, that it is not necessary for me to ask the House to intrust me with any power for raising money. In order, therefore, to lay a ground for the statement I am about to make I have reverted to what was the practice of the House before the last year or two, and, referring the Indian accounts to a committee of the whole House, shall move in the committee certain formal resolutions. It may be desirable also that I should caution hon. gentlemen that some confusion may arise from our having to deal with the finances of three separate consecutive years. The Chancellor of the Exchequer of this country deals with the last year and the coming year, but, owing to accelerated communication with India, we have now three years before us at the same time; and this year I shall have to refer to the accounts of 1860-61, to what is called the regular estimate made up during the close of the year of 1861-62, and to the Budget estimate made before the beginning of the year as regards 1862-63. The resolutions, however, which I shall move will have reference simply to the year 1861, though it will be my duty to state that which will be more of pressing interest—the prospect of the Indian finances for 1861-62, and 1862-63. Before doing that, I must place the House in possession of what I believe to be an accurate statement of the accounts for those two years; and though it is painful to refer to differences between the Home Government, the Governor-General, and Mr. Laing, I can only say on that point that no personal difference exists on my part towards the latter gentleman. I can appeal to many friends to say whether I have not acted in a most friendly way with Mr. Laing. We have been in constant communication, and during the last year, when he was in this country, there existed the most unrestricted communication between him and the members of the Indian Council and myself, and I was not aware, until this matter arose, that there was any difference between us as to the principle on which the Indian accounts and estimates should be taken. I postponed the present discussion to this evening in order that Mr. Laing might be able to make a memorandum in answer to my despatch of the 9th of June, expressing my readiness to lay on the table any explanatory statement on his part. I thought this was due to him, though he was only an individual member of the Government of India; but it must be observed that for the opinions expressed in that memorandum he alone is responsible, and not the Government of India. He refers to the financial policy of the Indian Government, and to Lord Canning's general policy, to the latter of which I have given the most unqualified support. There is, however, one point on which I must be permitted to say a word; because, if anything personal is introduced into this discussion, it exists, I think, in the tone of the memorandum rather than in anything that has proceeded from the Indian-office. There are statements made by Mr. Laing which, if true, would place me in a strange position of having said one thing to one man and a different thing to another. He states that if he had acted on the suggestion, or in accordance with the opinion of the Home Government, the 10 per cent. duties would now be in existence. That, however, is a statement which he is not justified in making, and for this reason, that so long ago as 1861 I wrote a despatch stating that in my opinion the duties were too high, and that it would be consistent with sound policy to reduce them as soon as the financial condition admitted of the reduction. That view was enunciated in a public despatch of a year ago, but I also early in the present year wrote to Lord Elgin and Mr. Laing, stating it to be my opinion and wish that the 10 per cent. duties should be reduced. I gave them no instructions to reduce them, because I was not thoroughly aware of the financial position of India at the moment, while I thought it but fair that they should have the credit of making any proposal which might be made on the subject. (Hear.) Mr. Laing, therefore, is quite incorrect in saying that if he had acted in accordance with the views of the Home Government, the 10 per cent. duties ought still to be in existence. Any difference of opinion which may exist on this point, however, does not, in the slightest degree, alter that of which I have deemed it to be my duty especially to complain—namely, the extreme inaccuracy of the Estimates and accounts which have been sent home from India, not alone in small matters, but in matters of very considerable importance, almost all of them turning on a principle which I think has been erroneously adopted by the Government of India, and involving an error of six millions in each of three consecutive years. Now, this question of the mode of keeping Indian accounts is not one which has arisen this year for the first time. It has been to me, ever since I have been at the head of the Indian Department a source of the greatest annoyance that I have not been able to depend on the accuracy of the accounts kept in that country. There are two or three members of my Council who are well versed in subjects of this description, and I myself have been unremitting in my endeavour, in conjunction with them, to bring those accounts into a correct shape. I have almost invariably found, however, the calculations productive of the utmost disappointment and confusion. The errors in the statements of account now lying before the House, exceed, however, any with which it has hitherto been my lot to deal. These accounts are wrong in principle, whereas those previously sent home involved error merely in the mode in which they were stated. Well, I am responsible for the accounts which I lay on the table of this House, and I therefore deemed it to be my duty to call the attention of the Government of India to the subject. Besides, the security of Indian Stock, which is held by so many persons in this country, depends to a great extent on the accuracy of the information given with respect to Indian finance, and those persons would have just cause of complaint if other than correct information were furnished by the department over which I have the honour to preside. If, for example, as was undoubtedly the case for the last year or two, items are omitted from charges which were invariably included before, and items set down as revenue which were never previously so placed, and if these two proceedings are contemporaneous, it is obvious that a statement so framed is productive of a total quite unlike ordinary calculations, and gives a flourishing view of finance as compared with previous accounts which is not founded on a legitimate rendering of the real facts of the case. That such is the state of things so far as relates to the Indian accounts with which I have to deal I can, I think, without any great difficulty, demonstrate; but, in order that I may be able to do so, it will, of course, be necessary that those gentlemen who do me the honour to listen to me, and who take an interest in this subject, should pay close attention to each statement as it is made, because, although the explanation which I have to give is one which it is not difficult to make, yet it may not be quite so easy to render its details perfectly clear. The accounts, then, on the table of the House, and on which my resolution depends, are those for 1860-61. Those accounts seem to have a sort of fatality attending them. Last year there was a statement made which took us all by surprise, to the effect that the expenditure for 1860-61 was larger than that for 1859-60. We were assured by the Indian Government that there was a large reduction, not in prospect, but actually realized, on a comparison of those two years; yet, much to our astonishment, we afterwards learnt from the statement of Mr. Laing and the Council of the Governor-General of India, that the expenditure for 1860-61 was higher than that for the previous year. Nor was that surprise diminished when, on referring to the actual accounts, we found, instead of an increase in expenditure to the extent of 213,000*l.*, an actual diminution to the extent of 4,400,000*l.* Now, as I told the House last year, Mr. Laing informed me that he had been misled by the accounts published by the Financial Department in India with reference to the calculations for 1859-60 and the succeeding year, I not unnaturally blamed the Government of India for all this; but I have since heard from Mr. Lushington, the Accountant-General of Bengal, that he did not mislead Mr. Laing in any way, and that he was perfectly cognizant of the actual state of the accounts at the time he made his statement. I refer to this point simply in justice to Mr. Lushington, on whom I may have indirectly cast some imputation in the course of the observations which I made last year. We have now received the accounts for 1860-61, and I did not anticipate that I should have any more trouble with them. Strange to say, however, we found when they arrived, that they contained two most singular mistakes, one involving an error to the extent or about 1,000,000*l.* No explanation was given of this, but on referring subsequently to the statement which had been sent out from this country, and which appears at page 40 of the Order in Council, we found a sum of 1,100,000*l.* was deducted from one of 5,300,000*l.* which appears on the other side, thus making the sum of 4,300,000*l.* arrived as at the amount of the home charges. We were surprised to find this to be the case, as at home charges for 1860-61 had more than once been stated with sufficient accuracy. We were therefore much astonished at finding the sum reduced to 4,300,000*l.* without a word of explanation, except a reference to what was done in another year, and it was by following the track thus suggested to us that we discovered how the reduction had been made. The only way in which the reduction could have been made was by treating all the items included in the 1,100,000*l.* as items of revenue. I admit that a small proportion of them ought properly to be so treated. The practice in this country, generally speaking, has been to treat as an item of revenue interest on the investment of cash balances. Mr. Laing was consequently justified in deducting that amount, and in the year 1862-63 I have allowed not only that deduction, but several other items of a more questionable character. But the point which I wish to raise and to discuss separately, when I have dealt with the accounts of 1862-63, is the question of re-payments, which constitute nine-tenths of even more, of the whole sum deducted. In the meantime I come next to the Estimate for 1861-62. That Estimate was sent home last year, and omitting as we were told in the despatch of the Government of India, the loss by exchange, 473,000*l.*, and arbitrarily reducing the home charge by 317,000*l.*, making together 790,000*l.*, the charge for the year was stated at 41,554,000*l.* From that amount the Government of India deducted 500,000*l.*, which they intended to transfer to the local Budgets, and the result was a total charge of 41,054,000*l.* Deducting that charge from the income, 41,294,000*l.*, there was a declared surplus of 240,000*l.* But we did not think they were justified either in deducting the loss by exchange or in making a reduction upon the home charge, and we pointed out to them that if those two sums, together, 793,000*l.*, were added, the result would show, instead of a surplus, a deficit of 550,000*l.* Inasmuch as the loss by exchange occurs again in 1862-63, I shall defer the argument upon that question until I have gone through the estimate for 1862-63, but I wish the Committee to observe that the same reasoning applies to both years. With respect to the reduction of the home charge, there is no pretence for saying that it was in consequence of any receipt of any sort or kind. Mr. Laing states his reason for making it. It so happened that the Estimate of the military charge at home in 1861-62 was, in round numbers, 1,100,000*l.*, nearly the same as in the preceding year. The Estimate was made up in the Accountant's Department of the India-office. The officials there knew what the charge was, having every means of ascertaining it, which the Government in India had not. Mr. Laing says he naturally concluded that the sum of 1,400,000*l* must have been taken from the previous year. He could not give us credit for knowing what the charge was likely to be. We now come to what is called the regular Estimate, in which the same omission was made by Mr. Laing, with a full knowledge of what we had told him,—viz., that the loss by exchange ought to be included, and that the reason why the military charge in 1861-62 was nearly the same as in 1860-61 was, that there was an arrear of the War-office charge, not belonging to the year, but having to be paid within it. The addition of that accidental sum to the reduced charge for the year, made the actual amount to be paid the same as that of the preceding year. Nevertheless, after that intimation, with a full knowledge of the reasons why the sum happened to be the same, Mr. Laing persisted in the regular estimate in striking off a sum which he must have known, after what he had told him, was due on the year. I say he was utterly unjustified in making that reduction. It is curious enough that in the Budget Estimate, in which Mr. Laing had professed to omit the loss by exchange, it has, nevertheless, by mistake been included; but when we come to the regular Estimate, in which he had been instructed by the Secretary of State to insert it, we find that he has omitted it. He was obliged, finding he was disappointed in the transfer of 500,000*l.* to the local Budget, to add that sum to the Budget Estimate, but he omitted, contrary to the directions of the Secretary of State, who is supreme in that matter, the loss by exchange, and he persisted, also contrary to the instructions of the Secretary of State, accompanied by reasons, in the reduction of the home charge to which I have already alluded. The result was that the charge for 1861-62 was less than it ought to have been by two sums of 473,000*l.* and 317,000*l.*, or a total of 790,000*l.*

Colonel SYKES.—Is the right hon. baronet alluding to the corrected Estimate of April last?

Sir C. WOOD.—Yes; the date is the 19th of April. Acting upon these grounds, Mr. Laing abandoned the licence-tax,—and here I wish to refer to a debate which took place in this House in February 1861, when I was supposed to have taken rather too sanguine a view of the finances of India. At that time, no doubt, there was a very despondent view of Indian finance taken in this country, and, more than that, there was likewise a despondent view taken in India, as I shall presently show. I stated then that if the reductions were made which I anticipated, and if the estimated produce of the licence-tax were realized, the sum was about 640,000*l.* I did not despair of the finances of India. There was a deficit of 598,000*l.*, and the licence-tax having been abandoned, I think those hon. gentlemen who doubted the statements will now acknowledge that I did not speak without warrant, because if the licence-tax had not been given up, the finances of India would have been as near as may be in a state of equilibrium at the end of 1861-62. I now come to the Estimate for 1862-63. Mr. Laing states that, without any alteration either in income or in charge, the former would be 43,796,030*l.*, and the latter 42,361,000*l.*, giving a surplus of 1,432,000*l.* In this year also he omits the loss by exchange, and he also reduces the home charge to the extent of 529,000*l.* Altogether the sum of 987,000*l.* has been omitted from the charge for the year. Deduct that from the supposed surplus, and it will leave 440,000*l.* He has repealed taxes to the extent of 725,000*l.*, and created therefore a deficit, according to my view of finance, to the extent of 285,000*l.* Whether he was justified in making these deductions I am now about to discuss. I have gone through the estimates of the three years. I have shown that in the first year the errors on the two sides balance each other, and the deficit is above what appears, 4,000,000*l.* In 1861-62 there is a deficit of 581,000*l.*; and in 1862-63 there is a deficit of 285,000*l.* The question turns, in both case, substantially on two points—and on two points only, namely, whether it is right to omit the loss by exchange, and secondly, whether re-payments are properly to be treated as income. If they are, and if the loss by exchange be properly omitted, the deficit is not as I suppose it ought to be. I wish before I approach these two points, to make one other matter which runs through the whole of Mr. Laing's memorandum, he assuming that the fact of the cash balances in India having increased in a clear demonstration that there is a surplus revenue. Now, in the first place, I must observe that as our expenditure in this country on Indian account can only be provided by Indian revenue, so long as we do not draw money from India there must be an increase of the cash balances in India; but that is no proof of a surplus revenue when you include the whole charge. More than that, cash balances may be increased by a variety of sources besides. Cash balances may be increased by prize money, by subscriptions to the service fund; loans are paid into cash balances, and the increase of cash balances, under these circumstances, proves demonstratively nothing as to the surplus of revenue. In point of fact, the truth is we have been induced to borrow more than we wanted. (Hear, hear.) In the early part of the year 1851 the Government of India represented officially, and Mr. Laing himself backed the statement very strongly, that they were in a state of great distress, that their balances would be lower at the end of the year than they were ever known to be, that they anticipated that the state of the North-Western Provinces would most seriously affect the revenue, that unless they had some assistance they should be obliged to stop the public works, and the state of things they represented was so bad that I sold securities here. I bought a million of silver, and sent it to India. Then the railroads upon whose payments into the Home Treasury we depended for our home payments, were little likely to be as much as would provide for that expenditure, and in June, 1861, I provided for borrowing money, stating in the House that it was to make myself sure as to the means of meeting the home expenditure. But it turns out that the representations made in February were totally wrong. The cash balances at the end of April were high; the Treasury in India was relieved, and we having borrowed money to defray the home expenditure, it is very natural that the cash balances should be increased. The fact is that the cash balances have not increased now up to the amount of the excess of the loan. Therefore, the assertion that the excess of the cash balances is a clear demonstration of a surplus revenue is a total mistake. It is not proof under any circumstances, but when I show that the excess of loan actually exceeds the excess of cash balances, the presumption that there was a surplus revenue is entirely rebutted by the fact stated. I come now to the first mention of the loss by exchange. It is rather a complicated matter, and I must beg the attention of hon. members to what I am about to state. When the contracts with the railroads were made the rate of exchange for the rupee was about 1s. 10*d.*, and in the contracts with the railroads it was provided that the rupee should in all matters between the railroad company and Government be taken at that rate. (Hear, hear.) The consequence of that is this, the railroad money is paid to the home treasury, and is available for home expenditure. The revenues of India are paid into the Indian treasury, and to the extent necessary are expended on the railways in India. The consequence of this arrangement is, that for every 1s. 10*d.* we receive into the home treasury we are bound to expend or repay in India a similar amount. So long as the exchange remains 1s. 10*d.* there is no loss or gain on either side; but when the rupee rises to 2s. then we are bound for every 1s. 10*d.* we receive here to spend the equivalent of 2s. in India; and the difference between the two amounts constitutes what is technically known by the loss on exchange. When the tables are turned, when the receipts of the railways in India are remitted in payment of dividends or surplus profits, we shall account to the companies for 1s. 10*d.* only for every rupee received in India—that is, when we receive 545,000 rupees in round numbers we shall have to pay 50,000*l.* of guaranteed interest, and retain the remainder as representing 2*d.* in each rupee. Therefore, it is quite possible that we may recover; it is also perfectly possible that we may never recover a farthing. If the rate of exchange came down to 1s. 10*d.* we can never recover one penny of the loss. If the receipts are not sufficient to pay the interest, we never can recover a penny of it. The recovery of this money depends on the double contingency of the maintenance of the rate of exchange at 2s. and the sufficiency of the receipts of the railroads to pay the guaranteed interest. The guaranteed interest is, to a certain extent, in the same condition. We pay it now out of the revenues of India. We may recover great part of it when the railroads make a sufficient return, but in the meantime they have always been charged on the Indian revenue as for the year. When we come to receive our half of the surplus profits—and I hope the day is not far distant when we shall—then there will be an extraordinary receipt, and so in like manner the loss of exchange has always been dealt

(Continued in Supplement.)

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Supplement to the Bombay Gazette.

BOMBAY: SATURDAY, AUGUST 9, 1862.

(Continued from our fourth page.)

with by the Indian Government, and the Government at home now treat it as an extraordinary charge. Every Government in India, and the home Government up to last year 1861-62, has so treated this loss by exchange —namely, as a charge on the revenue of India. I wish now to call the attention of the House to the reasons given by the Government of India for treating it otherwise. The first reason is given at page 13 of the papers on the table of the House. The Government say, "We have omitted this charge, as the interest or advances to railway companies for this year must be an equivalent for any loss by exchange on remittances under existing contracts, and we take it for granted that you will not renew or modify any contracts without expunging this objectionable clause." Now it will be observed that in that statement it is admitted as a charge on the revenue, but a set-off is pleaded, namely, —that we should receive from the railway companies interest on the advances made to them equivalent to the charge of the loss by exchange. If there had been such a receipt it might have been treated as a set off. That is the right principle on which affairs of this kind are to be dealt with, but, unfortunately, the Government of India and Mr. Laing, the representative of the financial department, knew that no such moneys could be received, and that the interest was paid out of revenue. The proposal of the Indian Government is simply this, —that they will set off one payment against another; and the loss by the exchange, which we pay, is to be compensated for to us by the interest which we also pay upon the advances made to the railroad companies. It is quite true that when the railway companies were not able to raise money for themselves we advanced it to them to prevent their works from standing still. Yet that money we borrowed, and have paid 5 per cent. interest for it, and this 5 per cent. interest that we paid on the money so borrowed is, forsooth, to be set against our loss by the exchange! In his memorandum Mr. Laing has given two reasons for this proceeding, which are to be found at page 3 of that paper. He first says he will subject it to two tests. The first is—suppose, the rate of exchange on account had been fixed at 2s. 2d. instead of at 1s. 10d. for the rupee, should we have treated the excess as a receipt? Certainly, we should. And the statement I have already made shows that we propose so to do, because if the rate of exchange rises to 2s. we shall account for 1s. 10d. only, and the difference between the 2s. and the 1s. 10d. shall be treated as an extraordinary receipt. Well, the second test is this—how can that be a charge on the revenue of the year which has certainly not been paid in the course of the year, and which, as certainly, is owing to no one at its conclusion? And Mr. Laing adds, "I appeal to this latter test with the more confidence, because in no estimate or account from England has this sum ever been entered as a charge to be paid there, or included in any demand for remittances; and it is quite certain that no one claims it in India." No doubt it has never been included in any account transmitted from England, for the simple reason that it is paid in India. Then comes Mr. Laing's statement that "it is not paid in India." Why, it is paid in India every year in India, and appears in all the Indian accounts from the beginning. The Government in India, and every Government at home, has included it in the Indian accounts. And what is really rather staggering is that here we have the accounts of 1860-61 transmitted by Mr. Laing himself, in which there appears among the charges in India "loss by the exchange in railroad transactions, 470,000*l.*" How, with this document signed by his own hand, in which this is stated as a charge on the Indian revenue, Mr. Laing should now say that it is not paid in India certainly passes my comprehension. Not only that, but the government of India, or at any rate one member of it—I mean Sir Bartle Frere—speaking in the Governor-General's Council in July, 1861, when Mr. Laing was in England and when they had received our despatch stating that this charge ought to be included, Sir Bartle Frere, in moving the Income-tax Bill, used these words:—

"After mature consideration, however, the Secretary of State did not think it desirable to propose any alteration in the terms of the existing contracts with the old guaranteed railway companies, and it would therefore have been necessary to have added a sum of 495,000*l.* to the estimate of the expenditure of the current year. But this will not affect the total of the estimate, for each government had charged itself with the loss by exchange on railway capital, and the whole sum was included in the 3,366,910*l.* there set down for civil and political charges including countingeries."

For several years it was not stated separately: it was included in the miscellaneous charges. I myself directed that it should be shown separately, and in two, if not in three consecutive years since then it has been shown separately as a charge on the Indian revenue paid in India, even Mr. Laing's own account for 1860-61, as I have said, so showing it. Then, I take only the two tests which Mr. Laing himself takes, and the second—the one to which he appeals with the greatest confidence. He says it never has been paid in India. That it has been so paid I can prove to him from his own accounts. Every Government has so treated it. Thinking it right that that course should be pursued, I determined that it should be included, and gave directions in the clearest terms according to the spirit of the positive directions of the Secretary of State to the Government of India, they have chosen to exclude that which every Government has included, and which we, the supreme authorities in this matter, directed to be included, in order to give a just view of the finances of India. Hon. gentlemen will at once see that if that which has invariably been included is to be excluded, you have a very fallacious account of the expenditure in India. I think, sir, I need say no more on the subject of loss by exchange. The next question is the repayment of advances; and on that I will again refer to Mr. Laing's own document and quote his own words, that there may be no misapprehension about the matter. He writes:—

"The Secretary of State says, 'It is contrary to the first principle of account to treat sums so repaid as part of the income of the year.' I must confess my surprise at such a statement from one who has filled the office of Chancellor of the Exchequer in England."

Well, I certainly have filled that office, and I repeat again, with the most perfect confidence, and with the conviction that no person in this House who has ever been Chancellor of the Exchequer will contradict my opinion. I repeat that the repayment of an advance cannot be regarded as an item of revenue. (Hear.) There are certain advances made in India on account of the Imperial Government. I will enter into detail about them presently. They are repaid to the treasury of the Indian Government at home. What they are really is a transfer from the treasury in Calcutta to the treasury in London. They are not stated as items of expenditure when advanced, and of course they cannot be treated as items of revenue when repaid. Mr. Laing quotes against me great authorities—he quotes my right hon. friend on my right, another right hon. friend whom I do not see in the House, and also Mr. Wilson. But the cases are not in the slightest degree similar or parallel. Certain muskets were supplied to the Spanish Government and charged upon the revenue of the country when they were made. The repayment was treated properly as an extraordinary receipt. So, in the Crimean war, stores were provided and charged upon the revenue, and, when they were afterwards sold, the produce of them was properly carried to the miscellaneous receipts, according to the ordinary course and practice. The cases of what was done by Mr. Gladstone and Sir G. C. Lewis do not, therefore, bear in the least on the question; but Mr. Laing asks, "Or, again, was Mr. Wilson, after five years' experience as Secretary to the Treasury, ignorant of the A B C of accounts when he made a precisely similar deduction in 1860?" My answer to that is that I do not believe Mr. Wilson ever made "a precisely similar deduction." I cannot exactly make out to what Mr. Laing here alludes. I suppose it must be to the same thing as he mentions at the beginning of his memorandum, where he states that Mr. Wilson with his own hand made an arbitrary reduction in the home charges. All I can say is that there is not the slightest trace of anything of the kind in the accounts. If done at all, it must have been done in 1859-60, or the next year. Well, we have got the amount of the home charge which Mr. Wilson stated; we have got the amount of the home charge which we sent out to Mr. Wilson. Our charge was stated to include stores, and Mr. Wilson from it very properly deducted that, as it was intended it should be done. We could not tell here exactly what their amount was, but the stores are always charged to the Indian revenue, although paid for here. We sent out in November, 1859, a certain estimate of 5,700,000*l.*, including stores. Mr. Wilson sent home in the appendix to his speech made in February what the amount of the stores was. He deducted that from the total which we sent out, and the remainder is the sum which was properly stated by him as the whole charge, exclusive of stores. But that is not an arbitrary deduction on the home account, nor is it eating a repayment as revenue. Nothing of the kind was done by Mr. Wilson, and it is impossible that it could have been done, for we have the accounts as stated by him, and it is clear on the figures how the amount which he stated is made out—viz., by deducting the stores from the sum which we sent out as the home charge, stating at the same time that that charge did include the stores, which we knew were to be deducted. I will now state at once what these charges are—bills of exchange and letters of credit drawn in India upon the Home Treasury, in repayment for advances on account of the emigration of Coolies, upon account of pensions paid in India to outpensioners of Chelsea Hospital, and on account of charges for the late China expedition, and bills of exchange in India on account of supplies to the Imperial Government. These are all advances made to the Imperial Government. It was settled that all the charges for the late China expedition should be borne by the Imperial Government, and, therefore, all expenses incurred in India for that expedition were treated as advances to the Imperial Government, and never appeared in any account of Indian expenditure. We authorized the paymasters of the forces in China to draw upon the Calcutta Treasury to a certain stipulated amount which was to be repaid here. That was done, but they were simply advances made out of the Treasury in Calcutta, and repaid by the Treasury in London. We have half a dozen navy bills drawn, some by the storekeeper at Trincomalee, and some by the paymasters of ships, for cash upon the Treasury in Calcutta, and then made payable to the Secretary of State for India. They are sent to us, we send them to the Accountant-General of the Navy, and they are paid. It seems to be simplest matter possible, and I cannot understand how anybody, even the most ignorant of financial matters, could call those repayments items of revenue. In illustration of my views I will mention an instance that will be familiar to all. Most of us keep a London banker and a country banker. Last year I had a note from a friend to me in Yorkshire. When he was coming to London he told me he was short of money, and asked me to give him my check upon my Doncaster bankers for 20*l.*, which he would repay in London. That was about Christmas. He received the 20*l.* in Doncaster, and early in the following year he repaid the sum to my bankers in London. Would any one say that I ought to treat that 20*l.* received for me by my London bankers as part of my income for the year? (Hear, hear.) I really am ashamed, as an ex-Chancellor of the Exchequer, to have to discuss such a point. It is very strange that there should have been such a proposition put forward, because I hold in my hand a report of the Finance Committee which sat in Calcutta, of which Mr. Laing was a member, and which report he signed. It is a report in reference to the statement of expenditure in India, and it says:—

"The financial transactions with the home authorities connected with railways in India, payments on account of the civil service in India, and remittance transactions with Her Majesty's Government, not being charges against India, but merely remittances or advances, are omitted from the statement. They are all duly adjusted in the accounts prepared in this country, the sums received and paid in England being met by equivalent debits or credits in the general accounts." That is a perfectly accurate statement of the mode of dealing with such transactions, and I confess that it does pass my comprehension how, with the full knowledge of what was the right mode of treatment it can be alleged for a moment, as it is urged with great perseverance in the memorandum, that repayment of advances in India can or ought to be treated as revenue. Then the argument goes on in the oldest way to say:—

"I cannot understand what is meant by stating that these China advances formed no part of the annual charges for the year in which they were made. They were actually paid, I imagine, in hard rupees out of the cash balance of the Indian Treasury."

No doubt, they were paid in hard rupees, but all the items of charge, whether for annual expenditure or for advances, were made in hard rupees. I will venture to say that the navy paymasters' bills were paid in hard rupees, but no one can say that that fact constitutes them an item of charge against the revenue of India. The memorandum then goes on in a way that is not a little remarkable. Mr. Laing writes in triumph over the Secretary of State:—

"The estimate (A) of home charges in 1862-3 is essentially a revenue statement sent for the purpose of enabling me to make a Budget for the year, and not a cash balance statement, showing other receipts and payments that are not revenue, which, in fact, was not sent until a subsequent mail, and did not reach India until after the Budget had been necessarily produced in anticipation of the new financial year."

I must attribute that statement to forgetfulness, although it is remarkable that Mr. Laing should have forgotten that the statement A was never sent from this country, but was made up in India. There was only one statement sent from this country, and that appears in these papers. It is quite true that statement A is purely a revenue statement, but it was made in India, and contains all the mistakes and errors which I have commented upon. The statement sent from England, which appears at page 48 of the papers, is not a mere revenue statement, but is exactly that which Mr. Laing describes it not to be—a statement comprehending revenue and other receipts and disbursements. It speaks for itself, and the dispatch enclosing it is upon the table, and it is the document from which statement A is made up by omitting a good deal of what we sent out. As I did not send out that statement, and as what I did send out is the direct reverse, I must say that the arguments of Mr. Laing, derived from that paper, appear to me to be quite fallacious. He goes on to say that I did not admit in the statement of revenue in the accounts for 1861-2 the receipts from the students at Addiscombe College. I must say that in this memorandum, and the correspondence, there does appear a lamentable confusion of ideas as to the statements of accounts. There are no accounts for 1861-62; but if I refer to the last account upon the table for 1860-1, at page 48, I find that those receipts are deducted—from the Military College at Addiscombe, 16,000*l.* Therefore the statement in the memorandum is quite erroneous, for it was the practice to show in the accounts the receipts for the students. Mr. Laing goes on to say.—"One of the gravest charges against me is that I did not, in the Budget of 1861-62, provide by taxes for an Estimate of 215,000*l.*, made at home, to be spent upon the new India-office." I should be glad to know who made such a charge. I have never made it, and defy any one to find it in the despatches. I agree in the principle laid down in the memorandum, that extraordinary receipts are revenue, and extraordinary charges are expenditures; but, I repeat, without fear of contradiction, that advances are not items to be charged upon expenditure, and that repayments are not to be treated as revenue. I hope I have satisfied the Committee upon both points—the loss upon exchange and the item of repayments—upon which the question turns of a surplus or a deficit—that the Council of India and I—for we are all agreed—are right in maintaining that which every preceding government has maintained. I now proceed to state to the House what the condition of the Indian finances has been for the last three years. I am afraid I have already wearied the House by my long explanation, but it was of paramount importance to establish a true basis on which to frame our Indian accounts (hear, hear), so that everybody may know that we deal with them in India just as we should in this country (hear, hear), and that they are perfectly correct and straightforward. The accounts for 1860-61 show a most satisfactory state of things. The revenue estimate showed a deficit of 6,500,000*l.*, the real deficit was 4,000,000*l.* The increase of revenue over estimate was 3,400,000*l.*, and the increase of expenditure over estimate was about 800,000*l.* The income of the year 1860-61 was 43,903,000*l.*, the estimated income for 1861-62 with the licence-tax was 42,911,000*l.* and for 1862-63,42,97,1,000*l.* The charge for 1860-61 was 46,924,000*l.*, the estimated charge for 1861-62 was 43,506,000*l.*, and for 1862-63 43,25,,000*l.* odd. These are the corrected figures, and represent what I believe to be the real state of the charges and income in these years. The result of these corrected figures gives for 1860-61 a deficit of 4,021,000*l.*, for 1861-62 595,000*l.*, for 1662-63 284,000*l.* Looking to the progress of the revenue, and to the reductions which have been going on, I entertain a hopeful belief that by the end of the year we may find that deficit even less, but at present that is the calculation at which we arrive from the corrected figures. I think it would be satisfactory to the House if I next compare the present state of India finance, as we may say that we have now got to something like a permanent state, with the condition of the finances in the year before the mutiny, and we shall then see the progress we have made. In 1856-57—the year April 30,1857—including railways, we may say that our income and expenditure were about equal. I hope that will be the case at the end of this year, at any rate in the next. In 1856-57 the income was 33,375,000*l.* and the charge, excluding the railways, 33,300,000*l.*, showing a surplus of 75,000*l.* The income has risen since that period, according to the Estimates of 1862-63, after remissions, to 43,000,000*l.* in round numbers, an increase of about 9,000,000*l.* Of this the income-tax has produced 1,500,000*l.*, and the other taxes which have been increased have produced about 4,000,000*l.*—that is to say, 5,500,000*l.* is due either to increased taxes or new taxes. The remainder is due partly to opium, partly to land taxes and other taxes—making altogether 9,600,000*l.* (Hear, hear). The charge in 1856-57 was 33,300,000*l.*, and in 1862-63 it will be in round numbers about 41,300,000*l.*, showing an increase of 8,000,000*l.* The interest on the debt has increased 2,436,000*l.*, the military charges, 1,674,000*l.*; and the judicial and police charges, 1,332,000*l.*; and but for the expenditure on railroads there would be a surplus of about 1,670,000*l.* When we remember that the railroad expenditure will be reproductive and will contribute to the development of the resources of India we shall not, I think, look upon this as an unsatisfactory state of things. The charge for railroads, of course makes a considerable difference. The annual charge of 1856-57, guaranteed interest and loss on exchange, was 673,000*l.*; in 1862-63 it was 2,088,000. From this we must, of course, deduct traffic receipts, which, in 1856-57, were 121,000*l.*, and in 1862-63, 730,000*l.* The net charge, therefore, in 1856-57 was 551,000*l.*, and in 1862-63 1,958,000*l.* The interest on the debt in 1856-57 was 2,420,000*l.*, and in 1862-63 exactly double, or 4,857,000*l.* I now come to what is a most important item, the military charges, which of course increased very heavily during the mutiny. In 1856-57 they were 12,781,000*l.*; in 1858-59 they were more than double, 25,449,000*l.* Since that year they have gradually decreased, naturally enough, from a cessation of war charges. They have now got as low as 14,456,000*l.*, and I must frankly say that I do not think we shall get them much lower. Some time ago, when we were making up our Estimates, we thought if we could get these charges down to 15,000,000*l.* we should be very glad, and I think now, if we manage to get them down to 14,000,000*l.* it will be as much we can do. Here, however, I must again refer for a moment to a passage in Mr. Laing's memorandum, in which he refers to a fear that the Home Government would send out too many recruits to India. I refer to that because it is a repetition of a charge which has been made in India in the public press there, and which has been sanctioned by a letter of Mr. Laing's, and by a speech which he made. The charge was, that in order to relieve the finances of my right hon. friend here we had unduly charged the finances of India. That is not the case. The Home Government preceded the Government of India in suggestions for the reduction of expenditure, and there are despatches on the table which show that that was the case. The Government of Bombay in 1860 asked for 45 regiments of infantry, and, after consulting Lord Clyde and other authorities, we thought 38 sufficient. They asked for 13 regiments of cavalry, we reduced the number to eight. Of course we did this with great hesitation, because after all the Government of India is responsible for the safety and security of India, and it was only after consulting eminent military authorities that we took that step. They have since changed their minds, and proposed to send home many more regiments. We have acceded to every request they have made without delay. Then comes the sending out of the troops, and this is a point of great importance, because it was stated in the memorandum that we sent out too many recruits last year, and that it was anticipated that the number of men in India would be 9000 above what was fixed. That representation was written from India last October. Well, what are the facts. In June the Indian Government had stated that what they wanted for India was 78,000 men. We have since brought the number down to 71,000. (Hear.) I think I explained once before that, in order to keep up an average number of men in India throughout the year, they must be above the required number when the recruits arrive, because as the recruits arrive only once a year, in the beginning of winter, the men would be otherwise below the average, owing to deaths, sickness, and invaliding. The casualties last year were unusually high, owing to cholera, and might be reckoned at 10 per cent. (Hear.) In order to keep up 70,00 effective men or thereabouts, we ought to have sent out 3500, but we did send out 2700. I take the following statement from a paper sent home by Mr. Laing. On the 1st of September the effective force in India was 74,255; on the 1st of December it was 74,419, so that the sending out of 2700 men added only about 200 to the strength of the army. (Hear.) Last autumn happened to be a very fatal time to the European army in India. (Hear.) What I want hon. members to bear in mind is, that to hold India safely you must hold it with an adequate European force (hear, hear), because an inadequate force is likely to lead to disorder and bloodshed. (Hear, hear.) Therefore, to send out an inadequate number of recruits is not only the worst policy, but it is in the pettiest spirit and the worst economy. (Hear, hear.) My hon. and gallant friend behind me (Colonel Sykes) wishes for information on the military expenditure. I beg to refer him to a paragraph in the despatch on the table dated May 2, 1861. The cost of the army is 11,500,000*l.* a-year in India, and in England 1,250,000*l.*, and this was below the proper cost, as it was only attained by allowing the "effective" European force to remain dangerously below its "established" strength. I will now state the deficits (including expenditure on railways) of each year from 1856-7 to the present time. In 1856-7 the deficit was 474,000*l.*; in 1857-8 it was 8,390,000*l.*; in 1858-9 it was 14,187,000*l.*; in 1859-60 it was 10,769,000*l.*; in 1860-1 it was 4,021,000*l.*; in 1861-2 it was 595,000*l.*; and in 1862-3 it will be 284,000*l.* This shows we are fairly coming to a healthy state, and I hope and trust that if the revenue thrives as it has done, by the aid of a sound system of finance, we may at the end of the year be better off than we anticipated. The system of open loan has been put an end to, and I trust we shall close that dangerous system of having only to put one's hand into the Treasury for money, without caring how it came there. I hope by an accurate system of accounts we shall soon have a permanent surplus, instead of a deficit year by year. (Hear, hear.) With respect to a topic of the greatest possible importance—namely, the public works and the prospect of the cotton cultivation in India, I stated very fully two or three weeks ago what had been done. I will merely say the Madras and Scinde lines are now open, and the Great Indian Peninsular, with its cotton branches and its very difficult works through the valleys of the Ghauts, is making most satisfactory progress. The late Governor of Bombay, Sir G. Clerk, who lately returned to England, gives the most promising account of the progress of the works. I mentioned before that the works on the Godavary were delayed principally in consequence of fever and the want of labour that ensued. Roads are being constructed for the purpose of bringing down cotton and acting as feeders to the railways, and they too have made satisfactory progress. I asked Sir George Clerk about the supply of cotton that was to be expected from India, and he says, so far as Bombay is concerned, the growth was considerably increased this year. (Hear, hear.) This export from Bombay last year was about double that of every year before. Of course, whether the additional growth will make up for the loss of the old supplies is what nobody can tell; but Sir George says he believes the price which is now paid will divert a large portion of the cotton from the native spinners to this country. And now a word as to Government interference. After the fullest consideration and taking the opinions of the most experienced and competent men, I have come to the conclusion that Government interference ought not to be given. (Hear, hear.) I have always felt in the strongest way, and I do not see any reason for departing from that opinion, that in all matters of trade Government interference is pretty sure to be prejudicial. (Hear, hear.) I believe in the present case what we wanted was reasonable expectation on the part of the grower of a fair and permanent remuneration for his labour. (Hear, hear.) That is the result of all my inquiries, and I believe there is no difference in this respect between India and other parts of the world. That which takes place elsewhere will take place in India—an adequate demand will produce an adequate supply. (Hear, hear.) India produces a great number of other things—sugar, indigo, silk, jute, but an adequate inducement has been given to the ryots for producing them, and cotton also would be produced when a similar inducement was given. (Hear, hear.) I saw the other day Mr. Saunders, who had been employed by Lord Canning to report on the growth of cotton in the North of India, and he said that the answer which he received to his inquiries was, "We require nothing from Government but we only want buyers, and we will supply as much cotton as they require." (Hear, hear.) A commission was appointed in each Presidency for the purpose of obtaining the fullest possible information. The Cotton Supply Association sent their Secretary to India, who went into the westward part, in company with a Government officer, in order that he might have every facility afforded to him. I believe that as much information exists on the subject as is needed, and what we want is not inquiry but price. (Hear, hear.) Transactions are carried on by a series of native agents, each of whom makes a profit, and without this system I believe that you could not reach the requisite number of ryots, who are only to be got at, not by the means of large capitalists, but by a great number of small dealers. If gentlemen in this country are desirous of sending agents to India for the purpose of getting into a more direct communication with the producers, all I can say is, that that would be a legitimate mode of proceeding, and to any extent that the Government could fairly aid them for that purpose, aid should be afforded to them. I have been asked to send commissioners and interpreters with them to facilitate communications with the ryots; but my belief is that more can be done by the influence of the local officers, with whom the ryots are acquainted, than by sending persons round with the agents; but still the latter course shall be adopted if desired. All that I wish to be understood is, that the Government is not disposed to turn cotton merchant (hear, hear), but that any aid that can be reasonably given by the Government shall be readily given. (Hear, hear.) There are other matters to which I now wish to refer. Last year an Act of Parliament was passed for the improvement of the administration of India. The whole Government of India was recast, and Europeans, not being officials, and natives were added as members to the Councils of the Presidencies. I am happy to say that, as far as we can judge of the experiment, it has succeeded. Natives, at much sacrifice to themselves, and casting away prejudices, have taken their place by the side of the Governor-General in the Council; and having read reports of their speeches, I must say that they take a statesmanlike, sensible view of the state of affairs. I was rather amused by the remark made with respect to them by an English member of Council, to the effect that "we must look after ourselves in order not to be surpassed by the natives." I have heard from an Englishman, well acquainted with India, that in Bengal it is impossible to describe the effect produced on the native mind by the presence in the Council there of three natives. High Courts have also been constituted in three Presidencies, and I have not been able to place any native in these courts, only because no native is at present technically qualified for the office in them; but I believe that natives will, when technically qualified, occupy places as satisfactorily in those Courts as in the Councils. [The right hon. gentleman then referred to the Civil Service, now opened, into which he did not anticipate that there would be room for the admission of any great number of persons, and expressed his regret that though the artillery and engineers had already been gazetted as portions of the Royal army, yet, with respect to the regiments of infantry and cavalry which were to be formed as an addition to the Queen's army, the officers were not yet posted. He could not account for the delay, but the Government must wait until they received from the Commander-in-Chief the list of officers selected. He hoped, from what he heard, that the cause of delay had been removed, and that before long the additional regiments of the line would be gazetted. The native army had been considerably reduced. The reduction was necessary on financial considerations. A large army, moreover, was a source of danger, and he believed that a much smaller one would be equally effective, but it was impossible to deny that the reduction had involved some hardships on the officers and men. The greatest consideration was shown to them, the men being discharged with gratuities or pensions according to their period of service, and employment being found for the officers in various ways. He had been asked once or twice about the Indian navy, but he had not yet had an opportunity of consulting Sir G. Clerk, who had recently returned to this country, on the subject. The Government were, however, most anxious to consider the claims of the officers of the navy.] The right hon. gentleman then continued to say,—I must be permitted to say that a great change has taken place in India with regard to the native princes, for which Lord Canning deserves the highest praise. Formerly the native princes were subject to great anxiety, believing it to be the fixed intention of the British Government to get rid of them and take possession of their territories. No doubt considerable alarm was thereby caused among them; but Lord Canning reversed that policy (hear, hear), and avowed that it was not the intention of the Government to annex those territories. He consequently set the minds of the native princes at ease and nothing could be more satisfactory than the result of that policy. Now, I have the testimony of a gentleman, than whom no one knows India better, to the effect that this policy of Lord Canning has been a source of the greatest strength to us in India, and that we might now reckon on the support of ten or a dozen in lieu of that of every three or four chiefs who were with us before. (Hear, hear.) The next change which Lord Canning introduced has reference to the creation of an intermediate class between the peasantry and the great chiefs. I do not mean to say that the peasantry had not hitherto enjoyed many advantages under our rule: if it were otherwise they would have taken part against us. It is, however, quite clear that, whatever advantages we may have conferred on the peasantry, it is not natural state of things that there should be no independent intermediate class connected with land. Lord Canning endeavoured to provide a remedy for that state of things, and the experiment has, I am happy to say, so far been most satisfactory, the state of Oude being now perfectly tranquil. There is a remark made by Lord Canning in connexion with this subject which, perhaps, I may be allowed to quote. In addressing the talookdars of Oude, he said:—

"While you, who are now the independent magistracy of your province, have already become, although you are the newest for the Queen's subjects, the foremost of them in the practice of self-government, and in enforcing by your example and authority an intelligent reverence of law and order."

It is, indeed, remarkable that persons intrusted with so much power should have displayed not only great skill, but also the utmost impartiality. They, moreover, have shown their loyalty in various ways. They offered Lord Canning to come forward and put down the practice of infanticide, and, feeling the great sorrow which oppressed their Sovereign and our own, they determined to forego all demonstrations of joy on one of their great festivals, which is usually celebrated with great rejoicing. (Hear.) Measures, with the objects I have stated, were passed by Lord Canning, but there was another which he had not desired to carry into operation, and about which he was equally anxious. He felt that it was necessary to take some steps to benefit the general owners of land. Lord Stanley some time ago wrote a despatch, calling the attention of the Indian Government to the sale of waste lands and the redemption of lands. That subject Lord Canning proceeded to take into consideration. He sent Colonel Baird Smith to the North-Western Provinces to make inquiries with respect to the best mode of preventing a recurrence of the famine which unfortunately prevailed in that quarter. Colonel Smith, in the performance of that duty, became very much struck with the improved condition of the people since the last famine, which was, he found, to be attributed to the longer leases which had been granted, and the more provident habits which had been engendered by the circumstance of a more permanent tenure existing. The consequence was a recommendation for a permanent settlement of the land. Lord Canning was much struck with the proposal, and sought for further information on the subject, but he had not time, I regret to say, to carry into effect a measure dealing with it. We, however, have determined to carry out such a measure as soon as the various districts in India are pronounced to be in a condition fit for a permanent settlement of the land question. (Hear, hear.) Hon. members must not, however, suppose that we propose as was done by the Lord Cornwallis in Bengal, to sacrifice to a great extent the rights of the cultivators of the land. The settlements made throughout India now for the purpose of the revenue, the holdings of the several occupiers being duly registered, will furnish us with the means necessary to enable us to avoid that course. What we propose is, that a settlement should be made with each of these persons, and that each should be secured in the possession of the land which he now holds on a permanent way. Great political advantage will, I think, be the result of the adoption of such a measure, inasmuch as it will tend to make the people of India attached to our rule, and lead to an improvement in the condition of the country such as we have not yet witnessed. I may, perhaps, be allowed while dealing with this part of the subject, to state that I had in my pocket letters from a native of India in which the views stated correspond with mine on which we propose to act, the order which we have given being to the effect that when the areas of the several districts are properly ascertained, and the rents properly fixed, then a permanent settlement may be made. That is exactly the order we have given, but of course our plan will come gradually into operation, which will, I think, be all the better. I may now observe that we have learnt a stern lesson from the recent mutiny in India. It will be necessary to keep up there a considerable military force, but our greatest strength will, I hope, lie in the attachment of the Indian people. I believe in the words which Lord Canning addressed some time ago to the talookdars of Oude, that, in spite of bygone animosities, and of the broadest difference of race, religion, and social usages, a generous and trustful rule is the surest way to make a loyal and dutiful people." I cannot conclude, having mentioned the name of Lord Canning, without giving expression to the feeling which we all entertain of deep regret at the loss which the country has sustained in the death of that distinguished statesman. (Cheers.) Never was a man more severely tried. He had every prospect of a peaceful rule when he went to India. The outbreak of the mutiny rudely dispelled his pleasant anticipations, but through the severest storm which India has ever encountered he with a calm and firm hand held the helm. (Loud and continued cheers.) He was not induced to take any rash step by fear or alarm, but, at the same time, he omitted nothing that was necessary or that was in his power. All his actions were tempered with mercy, and he succeeded in suppressing the rebellion and in acquiring the affections of the people. Nor when that success was achieved was his policy less worthy of applause. He brought the finances of India into their present state by reductions carried out with a firm and unsparing hand. He conciliated the affections of all the princes, chiefs, and great landowners in India. His name has been a tower of strength, and his policy will be a tower of strength, continued, as I have no doubt it will be, by the noble lord who has succeeded him, supported by the Government at home. One of the most remarkable events which have recently taken place in India, was an address presented to Lord Canning not long ago by the inhabitants of Benares. Everybody knows that Benares is one of the most bigoted cities in India. Never since the days of Warren Hastings have the inhabitants of Benares approached a Governor-General. Lord Canning passed through Benares shortly before he left India, and the inhabitants presented to him an address in which they expressed their estimation of the course he had pursued during the mutiny. It was the best testimony which he could have received of the success of his measures. The inhabitants of Benares said to him:—

"Your Excellency remembered in the time of victory and in the plenitude of unrestricted power that you were the representative of a Christian Government, that you intended a merciful and unhoped for clemency to those who might have looked for extermination, while, at the same time, you fully vindicated the majesty of outraged law, and upheld the honour and dignity of the Government confined to your care."

A better testimony, or one more clearly expressed, could not have been given to his merits, and it was offered by a society as little likely to regard favourably a Christian rule as any to be found within the borders of our Indian empire. (Hear, hear.) A difference of opinion may exist as to some of the measures which have been adopted in India, but every one of them when proposed in this House has met with general approbation. We certainly have not been idle. The government of the country, the course of law, the civil and military services have all been placed on a satisfactory footing, while the condition of the princes, the chiefs, the great landowners, and the peasantry of India has been improved. We know by past experience that danger may lurk beneath the most tranquil appearances, but a new era seems to have dawned upon India, and an amount of improvement is going on of which there has been no example in former times. It is our duty to guard against the recurrence of danger; but, as far as we can see at present, no such danger is apparent, and we have every reason to believe as well as hope that peace will be preserved, and that India will in future be a source of benefit to this country. (Cheers.)

Mr. H. Seymour concurred in the eulogium which the right hon. baronet had passed upon the late Lord Canning. He also expressed his regret at the death of Mr. Ritchie, and at the illness from which Mr. Laing was still suffering. Fortunately the latter survived, and whatever might have been his shortcomings, there remained enough of good done by him during his short residence in India to entitle him to the gratitude of his country. (Hear, hear.) Seven years ago the finances of India were stated by Lord Dalhousie to be in a deplorable condition, and it was deeply to be lamented that the sending out of an accomplished financier, acquainted with the English mode of keeping accounts, was delayed so long. Mr. Wilson had fallen a victim to his exertions, but before he died he laid the foundation of all the improvements which had since been made. At last the department was getting into something like order, although it was far from being complete. The first fault found with Mr. Laing by the right hon. gentleman had regard to deficits being added instead of subtracted in the year 1861; but it should be remembered that Mr. Laing only arrived in India on the 1st of January of that year, and considering the amount of business he had to transact, some excuse ought to be made for him in having committed that mistake, which led to no result one error having balanced another. Both Mr. Laing and Mr. Wilson joined in the opinion that there should not be so many estimates. They had an anticipation estimate, a sketch estimate, and a regular estimate; then they came to the accounts of the year, and when they discussed them they were 15 months behind. There should be only one estimate and one statement of accounts. With reference to the loss on exchange, the Government of India had sent a memorandum by Mr. Laing in December last. The right hon gentleman answered it on the 15th of February; but, although he went into all the other items in that memorandum, he never alluded to the loss by exchange; it was not, therefore, unnatural that Mr. Laing should suppose that the right hon. gentleman was satisfied with the explanation that had been offered. This was not a matter between the right hon. gentleman and Mr. Laing, but between the right hon. gentleman and the whole Government of India, who were all of the same opinion with Mr. Laing. Mr. Laing was not, then, open to any severe animadversion with respect to this point either in 1861-62 or in 1862-63, for he had not received any remonstrance on the subject till his financial statement was made in June last. With respect to the cash balances, he admitted to the right hon. gentleman that they were not all profit; but when they amounted to 18,000,000*l.* a certain portion of them must be profit. When Lord Dalhousie had a balance of only 14,000,000*l.* he was authorized by the India Board to appropriate a certain portion of it to public works in India. Then, what tax had been reduced? The protective duties had been taken off. (Hear, hear.) The removal of the 5 per cent. from piece goods was a very judicious measure; and it was better to trust to the 500,000*l.* being met from the surplus of the cash balances rather than to raise that sum by obnoxious taxes. The remission of 250,000*l.* of the income-tax had entirely relieved two-thirds of the persons who were liable to this odious impost. That was a most salutary change. Almost the first words which the lamented Lord Canning spoke to Mr. Laing on his arrival was, that he would rather govern India with 40,000 British troops without an income-tax than govern it with 100,000 British troops with such a tax. It is regretted that the Home Government should have placed the restriction they had done on the expenditure upon education, and also upon roads in India. The Chief Superintendent of Works in India had forcibly pointed out the disadvantages of voting mere dribbets for the roads. It was almost incredible, after all the experience of the mutiny, that the route between Calcutta and the North-West Provinces should be still so much neglected. Even within a few miles of Calcutta there was a want of bridges and the most ordinary accommodation for traffic. Considering the wonderful fertility of the Delta of Bengal and its enormous population, there was no wonder that the Chief Superintendent of Works should have urged the improvement to which so much larger expenditure was upon improved means of communication than the niggardly sum which the Home Government sanctioned. He hoped the Secretary of State would reconsider the prohibition he had placed upon the Government of India, and allow them to carry out their Budget. If ever there was a Government which deserved to have a Budget carried out, it was the present Government of India, which had reduced the annual expenditure by many millions. Some effort ought to be made to diminish the Indian home expenditure. The manner in which large sums were laid out in building palaces for the Indian department in England created a feeling of jealousy in India, where severe retrenchments was insisted upon in regard to the most urgent public works. While the Indian Council at home was but an experiment, they ought not to spend one or two hundred thousand pounds in providing a new palace for it, where every body would be made so exceedingly comfortable that when once they had got into it they would not at all like to be turned out again. There were very great economies to be made in which business was transacted in the new India-office—more, indeed, than under the old Court of Directors, and it was not yet certain that the department would be permanent. With respect to Mr. Laing and the Indian Government, they had not had a proper opportunity of seeing the receipt side of Indian home account. Information as to the home charges had been furnished to them, but not as to the home receipts. He did not think it was quite fair for the Home Government to withhold all statements of the home expenditure, and therefore there was some palliation for the conduct of the Indian Government. He was glad to find that the statement of that evening was more satisfactory than the statements had been, and that there was no mention of a loan, as was the case last year. The only matter to interfere with complete satisfaction was the little difference that had arisen between the Secretary of State and the Government of India, which had been occasioned by the anxiety of the Indian Government, which was responsible for the well-being of that country, to reduce the expenditure to the lowest point. The new Governor-General had agreed with his predecessor upon that point, and there was every ground to hope that next year there would be a sufficient surplus to enable the right hon. gentleman to sanction a greater expenditure. At present, besides the cash balances, there was a reserve of five millions expended in the year on public works, only 500,000*l.* of which was military expenditure, and the remainder was reproductive expenditure. He had no doubt that those public works would be eventually profitable, and even now they had benefited the community of India, and had increased the revenue of India by the money which they had caused to be circulated among the population. The only point upon which he differed from the right hon. gentleman was that he appeared to be rather too diffident in encouraging the investment of British capital in India. He thought that irrigation companies might be increased in number with great advantage to all parties, and therefore he hoped the right hon. gentleman would reconsider many of his decisions as to those companies.

Mr. Smollett, having spent many years in India, wished to make a few observations upon Indian finance. In the first place, he wished to make two admissions. He admitted that great progress had been made towards effecting an equilibrium between income and expenditure in India. The great reduction in the army to which that state of things was mainly traceable, was due chiefly to the efforts of a committee which had been appointed in India to carry out reductions. (Hear, hear.) He also admitted that there had been a great advance in the material prosperity of India and its inhabitants, which had begun in 1850, and had continued until the present time. The price of cereals had more than doubled, and, as nearly all classes in India were more or less dependent upon agriculture, the increase of prices had greatly increased the general prosperity